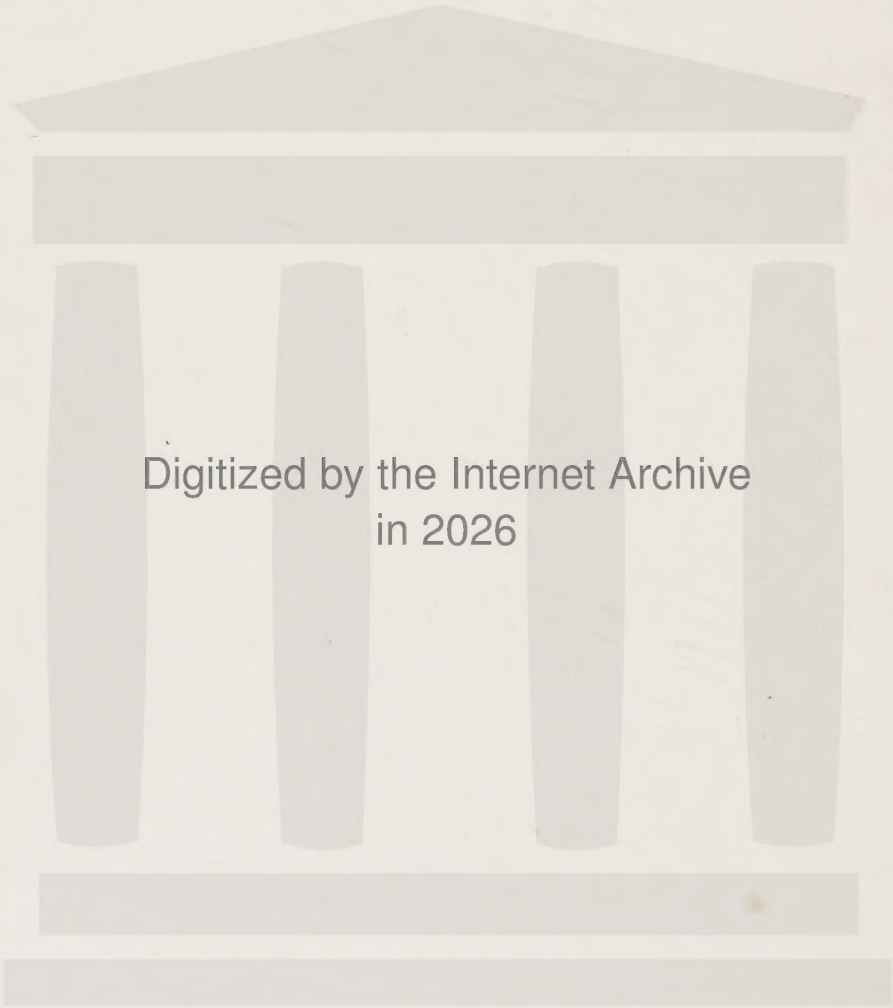
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PITMAN'S

EDUCATOR

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PITMAN'S
COMMERCIAL SELF-EDUCATOR

PITMAN'S

COMMERCIAL SELF-EDUCATOR

A COMPREHENSIVE GUIDE TO BUSINESS

SPECIALLY DESIGNED FOR COMMERCIAL STUDENTS, CLERKS, AND TEACHERS

Edited by ROBERT WOLSTENHOLME HOLLAND
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ASSISTED BY UPWARDS OF FORTY SPECIALISTS AS CONTRIBUTORS, WITH NUMEROUS MAPS, ILLUSTRATIONS, DOCUMENTS, DIAGRAMS, ETC.

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Frontispiece VIII

TAMIL COOLIE TAPPING RUBBER TREE

PITMAN'S COMMERCIAL SELF-EDUCATOR

BUSINESS QUALITIES

Continued from page 297

EFFICIENCY

Efficiency is the power to do. It brings things to pass. It sets in motion. It is an effect of some impulsive force. In mechanics it is the ratio of energy to work done. An inert mass cannot be credited with efficiency. Thus we can only consider efficiency as something moving, exerting, pushing, and progressing. In man efficiency is the power that is ready for action. We speak of strong men, of capable men, of skilful men, all of which imply efficiency in some special direction. Thoroughness is only one of the marks of the efficient man. A strong mind in a strong body is the highest evidence of human efficiency, but though it is given to man to attain the utmost development of his powers, he never reaches his maximum.

We see then that there must be something we have to do to promote efficiency, for it is not an inherent quality, born in us, but rather a progressive development of powers we gain by education and experience.

Efficiency is, in the first place, based on the formation of good habits. The right kind of habit is a great economy. We are forming habits all the time, from our earliest youth; these habits are either regular or irregular, and just in so far as our habits take a right and useful direction, so we increase our efficiency. Habit, it is said, is a cable; we weave a thread of it every day, and at last we cannot break it. But habit may be just as usefully applied to a good purpose. Habit is the tendency of the mind to repeat its processes of thinking, leading one to do easily, naturally, and with growing skill or certainty what has been done often. Habit may manifest itself in an aptitude or inclination for some action acquired by frequent repetition, and showing itself in increased facility of performance. According to the frequency with which an act or thought has been performed along certain lines, so will there be a tendency to repeat these acts or processes more readily. One way to correct an error that occurs habitually, is to do the thing over and over again the right way until it becomes second nature to do it right instead of wrong. But let us be sure that we begin right. If we want to acquire skill it is of vital importance that the first steps should be strictly accurate. Thus the first element of efficiency is the formation of good habits, whether it be in conduct, in study, or in the acquisition of skill.

Ability is the best test of efficiency, and the man who wishes to apply to the best advantage the abilities he possesses, and to cultivate those in which he is lacking, must ask himself what abilities he has, what he can do best, what he should develop most, how he can employ his unused forces, and what there is lacking in his mental stock. "Stating the thing broadly," says William James, "the human individual usually lives far within his limits; he possesses powers of various sorts which he habitually fails to use. He energises below his maximum, and behaves below his optimum." No doubt we all want occasionally to do a little personal overhauling, or stocktaking, if we would seek to do better work, and produce the best of which we are capable. We must turn our half-gauged abilities to the largest purposes. Where we may appear weak in one faculty we may be strong in another, and it is in working them together that we make for mental efficiency. It is undoubtedly true that efficiency grows through exercise. To think we are able is almost to be so, and it has been well said that to determine on an attainment is almost attainment itself.

The path of knowledge is the best way towards efficiency, but we must not make the mistake of supposing that knowledge consists in the accumulation of miscellaneous information. It is not the quantity but the quality of knowledge that tells. We must specialise and standardise our knowledge, but let us be sure that the standard is what it should be. "To know that which is before us in daily life is the prime of wisdom," said Milton. We must study the line of action towards the end we seek, and follow it with continuity of purpose. The road to success must be clearly marked out. Having a distinct aim we must work for it, focusing our attention, and putting our whole strength into the things that count. Above all, we must stick to that which is our forte, instead of making the common mistake of trying to do too many kinds of work.

COMMERCIAL ENGLISH

Continued from page 299

KEY TO EXERCISES IN LESSON VII (p. 299).

3. (*a*) Looking through the window he saw a stream of carriages.
(*b*) It was with great regret that we heard of his filing his petition.
(*c*) If you would make it convenient to meet me to-morrow, I should be very much obliged.
(*d*) We object to his interfering with us in this way.
(*e*) I shall have great pleasure in attending to the matter.
(*f*) The first volume having been finished, the second must be begun; *or* Having finished the first volume, we must begin the second.
(*g*) I am surprised at its turning out so bad.
(*h*) We shall be pleased to discuss the matter if you will call on us to-morrow.

LESSON VIII.

GRAMMAR NOTES.—We now begin the consideration of the most important rules of grammar upon which correct expression depends. No composition can be good unless it be accurate in grammar. As we have seen, correct grammar is not the only requisite for good composition, but correct grammar is essential.

Rule I. A VERB MUST AGREE WITH ITS SUBJECT IN NUMBER AND PERSON. Nouns are inflected for number. Pronouns and verbs are inflected for number and person.

The rule means that the singular form of the verb must always be used when its subject is singular, and the plural form when its subject is plural. Similarly, if the subject be first person, the verb must be first person and so on. Consider the sentence: *The colour of the samples are red.* Here we have disagreement in number. The simple subject of the sentence is *colour*, not *samples*, and is singular. The verb *are* is the plural form. The sentence should be—

The colour of the samples IS *red,*

the verb *is* being singular to agree with *colour*.

Sometimes the subject is removed some distance from its verb, and in such a case more than usual care is required to ensure that there is proper agreement. In the example which we have considered, the number of the verb is not decided by the nearer noun—*samples*—because that word is not the subject.

Two or more subjects joined by *and* form one plural subject, e.g.—

HAS *John arrived?* but
HAVE *John and William arrived?*

Sometimes the two things coupled are considered one. In such cases the subject is singular, e.g.—

Egg and milk IS *very nourishing;* not ARE *very nourishing.*

Two or more subjects separated by *or* are considered separately as singular and require a singular verb, e.g.—

John or James or Harry IS *coming;* not ARE *coming.*

With reasonable care you are not likely to make frequent mistakes in agreement for number, unless you make your sentences so complicated as to cause you to lose sight of your subject.

One case of agreement for person requires attention. We say, *I* THINK, *he* (she, it) THINKS, *we* THINK, *they* (men, people, etc.) THINK. You note that the same form of the verb—*think*—is used for the first person singular and plural, and the third person plural. For the third person singular, another form—*thinks*—is used.

Now, in the sentence—

It is I who thinks so,

the rule of agreement for person is broken. The subject of *thinks* is *who*. The relative pronoun *who* has *I* as antecedent. *I* is first person, therefore *who* is first person, and consequently the verb should be *think*, not *thinks*. For similar reasons, *I am a man who think so* is incorrect, for in this case the antecedent of *who*—*man*—being third person, the relative pronoun is third person, and, consequently, the verb should be *thinks*.

REDUNDANCY.—In the previous lesson we warned you against the use of words whose meanings you do not perfectly understand. We pointed out that the shortest and simplest words which clearly express your full meaning are usually the best. Cultivate a simple diction; but at the same time add continually to your stock of words, for the purpose of strengthening your own compositions and of enabling you thoroughly to understand compositions not so simple as your own.

Another serious fault we have now to bring to your notice is the use of unnecessary words—superabundance of language or redundancy. Always use the simplest words and never use a superfluous word.

Aim at conciseness of expression; sift your sentences free from every word which does not aid in making your meaning clear.

Brevity is one of the main requirements of a business document, and, by a careful attention to the meaning and use of words, brevity can be attained without the sacrifice of freedom or ease in construction and style.

Verbosity (i.e. superabundance of language) is a very common fault with young writers. The masters of English are sparing of words, and produce their wonderful effects by the expenditure of a very small quantity of language. Redundancy occurs in several forms which we shall consider separately.

Another fault is tautology (i.e. needless repetition of the same thing in different words ; the use of words synonymous with those already used). A very close acquaintance with the meanings of words is necessary for the complete avoidance of this serious fault.

Let us take a few examples—

(1) *That firm alone has the sole monopoly for the manufacture of this article.*

A knowledge of the derivation of *monopoly* shows that it means *the sole right of dealing*. In the example given, then, *sole* is tautological because it is included in the meaning of *monopoly*. For the same reason the word *alone* must be omitted. It is unnecessary to say *that firm* ALONE, for if any other firm were allowed to manufacture, there would be no monopoly.

The sentence contains all that is necessary in this form—

That firm has the monopoly for the manufacture of this article.

You may object that the use of the word *sole* makes the meaning more clear, or more emphatic. That is not so. To any one who knows the meaning of the word *monopoly* the sentence is no clearer ; and either you must assume that the person to whom you are writing understands the word, or you must not use it. The sentence might be expressed thus—

That firm enjoys the sole right to manufacture this article.

In this case the expression *sole right* takes the place of *monopoly*.

(2) *We need not necessarily give any explanation.*

Necessarily means *of need* or *of necessity*, and merely repeats what has been said. The sentence should be—

We need not give any explanation, or

There is no necessity for our giving any explanation.

(3) *This is the very raison d'être of its existence.*

In the first place, this sentence is bad, because a foreign expression is used. In the second place, *raison d'être* means *reason for existence*, and, consequently, the word *existence* is redundant. The sentence should be—

This is the very reason for its existence ;

or, if you will use the French—

This is its very raison d'être.

(4) *The final completion of the transaction will be brought to a conclusion on Monday.*

FINAL means *at the end* (Latin, *finis*).

COMPLETION means *the bringing to an end.*

CONCLUSION means *the close, finish,* or *end.*

You will see that there is need for only one of these words. In the example given, the words *completion* and *conclusion* are used in the same sense. There is a difference between them, but in this case no difference is expressed. A *completion* must be *final ;* a *conclusion* must be *final.* The sentence should be—

The transaction will be completed on Monday,

or—

The transaction will be concluded on Monday,

or—

The transaction will be brought to a conclusion on Monday.

(5) *It follows as a consequence. . . Consequence* is derived from Latin, and means *that which follows certain causes.* Consequently the words *as a consequence* are tautological, and must be struck out.

EXERCISES.

1. Re-write the following, and remove all redundancies:

(*a*) On entering the hall he beheld a strange and novel sight.

(*b*) Still, however, we may avoid such mistakes in the future.

(*c*) A man of intellectual mind is not drawn away by the attraction of such amusements as these.

(*d*) We frequently receive assistance from others ; but, nevertheless, we soon forget their kindness.

(*e*) The intellectual power of the man's mind is unusually remarkable.

(*f*) The months of November and March are, as a rule, generally stormy.

(*g*) Before entering into the contract, we must first examine very carefully the site for the position of the proposed building.

(*h*) It is plainly obvious that a serious mistake has been made.

2. Look up the derivation of the following words and use each word in a sentence :

Ridiculous, prevent, ingenious, ingenuous, desuetude, ephemeral.

3. Construct sentences to distinguish the words in the following pairs:

Judicial ; judicious.
Continuous ; continual.
Efficient ; effective.
Ancient ; obsolete.
Antiquated ; old.

4. Correct the following sentences:

(*a*) No sound but their voices were heard.

(*b*) The phenomena of nature is wonderful.

(*c*) Neither of the opponents were inclined to fight.

(*d*) Of these mistakes none are very serious.

BOOK-KEEPING

Continued from page 303

KEY TO EXERCISE IN LESSON VII (p. 303).

TRIAL BALANCE.

	Dr.			Cr.		
	£	s.	d.	£	s.	d.
A. Arran	5	17	4			
P. Park				73	14	0
B. Brockley ..	46	3	1			
T. Tower	23	9	6			
G. Gardens ..	69	9	0			
W. White				77	5	0
H. Hart				50	1	0
Carriage	1	14	8			
Travelling	1	19	9			
Stationery	4	15	7			
Wages	26	10	0			
Discounts					19	0
Goods	406	3	5			
Cash	357	19	6			
Capital				742	2	10
	£944	1	10	£944	1	10

LESSON VIII.

BANKING.—It is not proposed to consider here the principles of banking in any great detail. It is sufficient to state that a merchant opens a banking account by depositing with his bankers a sum of money, which he augments from time to time by "paying in" further sums. When he wishes to withdraw any part of the amounts which he has deposited, he does so by "drawing a cheque." The practice is to send the cheque form, duly filled up and signed by the merchant, to the person to whom it is made payable, who, after "indorsing" it, presents it to the bankers and receives from them payment of the sum stated upon it.

Bank Pass Book. The bankers supply the merchant with a Pass Book, in which is recorded, on one side of the book, particulars of all items "paid in" to his credit, and on the other side the amounts of the cheques drawn by him and paid by the bankers to the payees, with which amounts he has been debited. The Pass Book is a copy of the customer's personal account as it appears in the bank's Ledger. It does not, however, always correspond with the Bank Account in the customer's Ledger, because certain cheques with which the customer has credited the bank in his own books may not have been presented promptly to the bank, and they, therefore, do not appear to the customer's debit in the books of the bank. Similarly, certain cheques which the customer has received from other traders and paid into his bank account may not have been "cleared," i.e. they may not yet have been honoured or accepted by the bank upon which they are drawn and passed through the Bankers' Clearing House as honoured cheques. Until the cheque is cleared, the receiving bank does not, in some cases, credit the customer paying in the cheque with the amount of the cheque, and if this has not been done the bank's Ledger will, to that extent, disagree with the customer's Ledger.

Bank Transactions in Cash Book. Let us assume that A. B., a merchant, opened a Bank Account with the Joint Stock Bank, Limited, by depositing £100 which he had received from E. F., and that he subsequently paid C. D. the sum of £25 by means of a cheque drawn upon the bank.

In the simple form of Cash Book which has been previously referred to, these transactions would be entered as in Example 1; and the Bank Account in the Ledger would read as shown on p. 349.

The numbers in brackets refer to the order in which the student should read the entries, viz.—

(1) Cash received from E. F., which is credited to E. F.'s Ledger Account.
(2) Cash paid to the bank.
(3) Bank Account debited with the cash paid in.
(4) Cash drawn from the bank to pay C. D.
(5) Bank Account credited with the cash drawn out.
(6) Payment to C. D., which is debited to his Ledger Account.

EXAMPLE 1.

Dr. CASH BOOK. *Cr.*

			Discount.			Cash.						Discount.			Cash.		
			£	s.	d.	£	s.	d.				£	s.	d.	£	s.	d.
19.. Jan. 1	To E. F. [1]	4				100	0	0	19.. Jan. 1	By Bank [2]	6				100	0	0
,, 2	,, Bank [4]	6				25	0	0	,, 2	,, C. D. [6]	8				25	0	0
						125	0	0							125	0	0

Dr. JOINT STOCK BANK, LTD. *Cr.*

19..			£	s.	d.	19..			£	s.	d.
Jan. 1	To Cash (paid to Bank) [3]	1	100	0	0	Jan. 2	By Cash (drawn from Bank) [5]	1	25	0	0

Now it is evident that if A. B. pays most of the money he receives into his Bank Account and pays his creditors by cheque, there will be a considerable amount of labour expended in posting the bank transactions to the Ledger, and the Ledger Account of the Joint Stock Bank, Limited, will be a very large one.

Bank Column in Cash Book. In order to overcome this difficulty, therefore, another column is added to each side of the Cash Book, representing the debit and credit sides of the Bank Account in the Ledger (i.e. the Bank Account is taken out of the Ledger completely and combined with the Cash Book). The transactions referred to above will then appear in the Cash Book as follows—

credited by a posting from the Cash Book. So also the Bank Account is credited with £25 paid by cheque to C. D., which is likewise debited by a posting to C. D.'s personal account in the Ledger. Thus the original six entries have been reduced to two. Those numbered 1, 2, and 3 in the original illustrations are combined in (*a*); and those numbered 4, 5, and 6 appear as (*b*).

This simple illustration shows clearly the enormous saving effected by adopting the three column Cash Book, which, as the student will observe, in no way violates the fundamental principle laid down in the first lesson, that every debit or credit has a corresponding credit or debit.

It is not, however, always convenient to pass

EXAMPLE 2.

Dr. CASH BOOK. *Cr.*

			Discount.	Cash.	Bank. *Dr.*				Discount.	Cash.	Bank. *Cr.*
19...			£ s. d.	£ s. d.	£ s. d.	19...			£ s. d.	£ s. d.	£ s. d.
Jan. 1	To E. F. [1] .	4		100 0 0		Jan. 1	By Bank (amt. paid in)[2] per contra	√		100 0 0	
,, ,,	,, Cash paid to Bank per contra [3]	√			100 0 0	,, ,,	,, Cash drawn from Bank per contra [5] . .	√			
,, ,,	,, Cash drawn from Bank per contra [4] . .	√		25 0 0		,, ,,	,, C. D. [6]	8		25 0 0	25 0 0
				125 0 0	100 0 0					125 0 0	25 0 0

It can now be illustrated how this method of recording transactions can be carried a step further with a corresponding saving of time and labour.

When E. F. pays to A. B. the sum of £100, and A. B. pays that sum into the bank, A. B. simply makes the bank his debtor instead of E. F. Similarly, when he pays C. D. by a cheque drawn on the bank, he substitutes the bank for C. D. as his creditor. Therefore, if he ignores the cash part of the transaction, and makes his Bank Account in the Cash Book *an account of prime entry*, he will save work and at the same time achieve exactly the same result.

This development applied to our original illustration will result in the Cash Book appearing as in Example 3 on the next page.

This means that the Bank Account is debited with £100 and E. F.'s account in the Ledger is

through the bank all money received and paid, and where this is the case the method of entering up the transactions is a compromise between the second and third illustrations.

RULES FOR ENTERING TRANSACTIONS. The rules which are usually adopted may be stated thus—

1. Where only part of any sums received is banked—

(*a*) *debit* the cash column with the amount received;

(*b*) *credit* the cash column with the portion paid into the bank: the difference between (*a*) and (*b*) is a balance on the Cash Account, and is represented by the cash in hand;

(*c*) *debit* the bank column with the sum paid into the bank;

(*b*) and (*c*) are then corresponding debits and credits, and the corresponding credit for (*a*) is

found in the personal accounts (in the Ledger) of the parties from whom the cash was received. This method is illustrated in Example 2.

2. When the whole amount received is paid into the bank on any particular occasion, *debit* the bank column direct as in Example 3.

3. Cheques issued are usually credited direct in the bank column. The method of treating cheques, which is shown in Example 2 and which is merely an illustration to show the steps of the development of the principle, should never be adopted.

(4) On Jan. 6 He paid by cheque R. S. £15, R. J. £20, and S. V. £40. He deducted 15s. from the account of R. S., £1 from R. J.'s account, and £2 from S. V.'s account for discount.

(5) ,, 10 He paid £4 in cash to R. W. in settlement of an account for £4 5s.

Record these transactions in the Cash Book, show the balances of cash in hand and cash in the bank on the 10th January, and give the Discount Account at that date.

EXAMPLE 3.

Dr. CASH BOOK. *Cr.*

			Discount.	Cash.	Bank. Dr.				Discount.	Cash.	Bank. Cr.
			£ s. d.	£ s. d.	£ s. d.				£ s. d.	£ s. d.	£ s. d.
19.. Jan. 1	To E. F. [a] ..	4			100 0 0	19.. Jan. 2	By C. D. [b] ..	8			25 0 0

The example given below will illustrate the application of the rules referred to.

(1) On Jan. 2 A. B. received from E. F. a cheque for £100, which he paid into his Bank.

(2) ,, 3 A. B. received from G. H. notes for £30 and cash £10, allowing him a discount of £2. The notes were paid into the Bank.

(3) ,, 5 A. B. received from J. K. the sum of £15; from L. M. £40, allowing him £1 10s. discount; and from O. P. £25, allowing him £1 discount. He paid the first two items into the Bank and retained in hand the sum received from O. P.

Bank Reconciliation Statement. — One of the duties of the person responsible for keeping the cash record, and who is usually termed the "Cashier," is to "reconcile" the differing balances shown by the Bank Pass Book and the Cash Book, in order to be able to prove the accuracy of the entries appearing in both books.

To accomplish this, he must prepare a "Bank Reconciliation Statement," showing how the differences are accounted for. Such a statement is prepared in the following manner—

Assume that the balance between the two bank columns of the Cash Book of the A. B. Co., Ltd., showed that on January 31st, 19.., there was a debit balance of £830 2s. 8d. against the bank,

Dr. CASH BOOK. *Cr.*

			Discount.	Cash.	Bank.				Discount.	Cash.	Bank.
			£ s. d.	£ s. d.	£ s. d.				£ s. d.	£ s. d.	£ s. d.
19.. Jan. 2	To E. F. [1]	4			100 0 0	19.. Jan 3	By Bank per contra [2]	√		30 0 0	
,, 3	,, G. H. [2] ..	7	2 0 0	40 0 0		,, 6	,, R. S. [4] ..	18	15 0		15 0 0
,, ,,	,, Cash to Bank per contra [2]	√			30 0 0	,, ,,	,, R. J. [4] ..	40	1 0 0		20 0 0
,, 4	,, J. K. [3] ..	22			15 0 0	,, ,,	,, S. V. [4] ..	29	2 0 0		40 0 0
	,, L. M. [3] ..	33	1 10 0		40 0 0	,, 10	,, R. W. [5]	76	5 0	4 0 0	
	,, O. P. [3] ..	67	1 0 0	25 0 0							
			4 10 0	65 0 0	185 0 0				4 0 0	34 0 0	75 0 0
,, 10	,, Discounts received ..	12	4 0 0			,, ,,	,, Discounts allowed ..	12	4 10 0		
						,, ,,	,, Balances c/d	√		31 0 0	110 0 0
			8 10 0	65 0 0	185 0 0				8 10 0	65 0 0	185 0 0
,, ,,	,, Balances b/d ..	√		31 0 0	110 0 0						

Dr. DISCOUNT ACCOUNT. *Cr.*

19..			£	s.	d.	19..			£	s.	d.
Jan. 10	To Cash Discts. allowed	1	4	10	0	Jan. 10	By Cash Discts. received	1	4	0	0

i.e. the bank owed to the A. B. Co., Ltd., the sum of £830 2s. 8d., which sum represented the excess of the amounts paid into the bank over those withdrawn from the bank.

On reference to the Bank Pass Book, the cashier finds that the balance appearing therein to the Company's credit on January 31st, 19.., is only £720 9s. 6d. It becomes necessary, therefore, to discover the reason of the discrepancy. In order to effect this, the cashier proceeds to check the individual items of sums paid into the bank and cheques drawn against the bank, which appear in the Cash Book, with the corresponding entries appearing in the Bank Pass Book.

He finds, upon checking the cheques issued, that on January 28th, 19.., a cheque for £10 4s. 8d. was sent to R. Brown, and has been duly entered in the Cash Book on that date, but that this item does not appear in the Bank Pass Book. He, therefore, comes to the conclusion that Brown's cheque has not been "presented." Similarly a cheque for £7 8s. 6d., issued to G. Green on 29th January, 19.., has been properly entered in the Cash Book in the usual course, but has not been presented to the bank for payment.

On checking the amounts paid into the bank, he finds that on January 30th, 19.., cheques to the value of £320 6s. 8d. have been "paid in," but only £193 0s. 4d. has been credited by the bank. This difference proves to be a cheque for £127 6s. 4d. which was received from the Black Granite Co., Ltd., of Aberdeen, and which has not been collected by the bank at January 31st, 19.., and consequently does not appear in the Bank Pass Book.

These are the only differences discovered by the cashier, and he proceeds to prepare a Reconciliation Statement in the following form—

BANK RECONCILIATION STATEMENT.

JANUARY 31ST, 19..

	£	s.	d.
Balance per Bank Pass Book at this date .. .. *Cr.*	720	9	6
Deduct Cheques not yet presented—			
(Fo. 126.) R. Brown .. £10 4 8			
(Fo. 127.) G. Green .. 7 8 6			
	17	13	2
	£702	16	4
Add Cheque not "cleared" (or "collected")—			
(Fo. 129.) Black Granite Co., Ltd. ..	127	6	4
Balance per Cash Book at Jan. 31, 19..	£830	2	8

The unpresented cheques are deducted because, had they been presented, the balance standing to the company's credit, as shown by the Bank Pass Book, would have been so much less.

Similarly because, if the Black Granite Company's cheque had been collected and credited by the bank, it would have increased the balance in the bank as shown by the Bank Pass Book, the uncleared or uncollected cheque must be added to the balance already shown, to make it correspond with the Cash Book balance.

The accuracy of the entries in the bank columns of the Cash Book having been proved, this book can be closed off and the balances upon it carried down. It is advisable for the cashier to enter the Reconciliation Statement which he has prepared, as a memorandum in the Cash Book (preferably in coloured ink to distinguish it from ordinary records) immediately following the "closing off" of the Cash Book.

One of the frequent causes of disagreement between the Bank Pass Book and the Cash Book is the bank interest, commission, and other charges, which appear in the Bank Pass Book and not in the Cash Book. Bankers debit the customer with "commission" on the cheques paid, and credit him with interest on his deposits; whilst he will naturally expect to pay the bankers interest upon any sum advanced.

EXERCISE.

Compile a three-column Cash Book from the following items—

Sept. 1. Balance of cash in office, £25. At bank, £250.
,, 2. Paid Trade Expenses in cash, £2 10s.
,, 4. Received from L. Lane, cheque £20. Discount allowed, £1.
,, 7. Cash Sales, £17 10s.
,, 8. Purchased goods for cheque, £8 10s.
,, 9. Received from H. Holly, cash, £15. Discount allowed, 5s.
,, ,, Paid to L. Lodge, cheque, £50. Discount allowed, £2 10s.
,, 12. Paid rates in cash, £3 18s. Lodged in bank, cash £25.
,, 15. Cash sales, £10.
,, 17. Paid cash for stationery, 10s. 6d.
,, 18. Paid wages in cash, £10.
,, 19. Received from B. Bruce, cheque, £70. Discount allowed, £2 16s.
,, 20. Paid G. Grove & Co., cheque, £57 10s. Discount allowed, £1 6s.

SHORTHAND

Continued from page 306

KEY TO EXERCISE 23.

1.
2.
3.
4.

KEY TO EXERCISE 24.

1. The flare of the flames was noticed for miles over the wide prairie.
2. Thirty score is the number given by the colonel as the force the enemy possess.
3. Inflammable oils form the principal stuffs used in cases of arson.
4. The lever is a source of tremendous power. When wrongly used it may be the cause of fearful damage to property.
5. A terrible scuffle took place among the weavers and spinners to recover the rifles which had hitherto belonged to their new leader.
6. A novel beverage is largely used by the people in some places in Africa.
7. Florida Keys is the name given to a number of coral isles which reach from the south terminus of the state to the isle in which lies Key West, a naval arsenal.
8. There exists a flotilla of ferry steamers which voyage from Key West to the Isle of Cuba, in which is the city of Havana.
9. Troops of fishers and divers throng those coasts. Being flimsily clad, they pursue their task unflurried by the tropical weather, and plunge fearlessly into the clear sparkle of the flashing sea.

LESSON VIII.

Circle "S" etc., before Hooked Strokes. You already understand how circle *s* is prefixed to the simple stroke consonants etc., etc.

We shall now proceed to study how circle *s* may be prefixed to the double consonants etc., etc.

If it were left to you to find out a method of prefixing *s* to such strokes, I feel sure you would at once suggest writing the small circle inside the hook, just as we have already done in the case of *s-w* in the words "*sway* , *suasive* ." In the great majority of cases your idea would be the correct one, but in just a few combinations a simpler method is adopted. We will take these special cases first.

When it is desired to prefix a circle *s* to the six double consonant strokes we simply write the circle on the same side as the hook, writing it with the same motion as the hook itself is written; thus,

pr, s-pr, br, s-br, tr, s-tr, dr, s-dr, kr, s-kr, gr, s-gr.

You will see that there is no likelihood of these forms clashing with *sp*, *st*, *sk*, etc., in which the hook is written with a backward or left motion.

The initial circle should, of course, in all cases be read first, and then the hooked consonant, although in these six forms the hook is not shown.

A few examples will make clear the way in which these six forms are employed—

pay, *pray*, *spray* (the *ay* being read after *pr* in each of the last two words), *up*, *upper*, *supper* (the vowel being read before *pr* in each of the last two cases); *tay*, *tray*, *stray*; *eat*, *eater*, *seater*, *eyed*, *eider*, *cider*; *oak*, *ochre*, *soaker*.

You will see that the chief point to be remembered is that when the initial circle *s*, before the straight consonants named above, takes the right or forward motion, , it is read as *s* before , and not as *s* before , with which the *s* is written backward.

You will probably have noticed the omission from the list of *s* before *chr* and *jr*. The reason for this omission you will understand when you find that the English language does not contain such initial combinations; no English words commence with *schr* or *sjr*.

Again, does it not strike you that you have already made use of the sign " "? Certainly, it is the downward sign for **H**. The inventor of Phonography, with his usual abhorrence of waste, utilised this piece of Phonographic material as an additional sign for **H**, to be used for the purpose of securing sharp outlines. (See future lesson on "The Aspirate.")

The signs are to be employed for *s-pr*, *s-br*, etc., whenever such combinations occur initially.

Thus we have *spray*, *sprayed* (notice the direction of the circle); *cider*, *screw*.

From the illustrations just given you will see now why no initial *str* loop is used. The form " " is far superior, as it can be used for *str* initial as in *straw*, and for *s* × *tr* as in *seater*.

EXERCISE 25.

1. Add, sad, adder, sadder, seek, seeker, set, setter, sabre, sober.
2. Sprawl, spruce, spring, sprinkle (note *ng-kl*), super, supreme.
3. Stretch, stretcher, strike, striker, suck, succour, sacred.
4. Spread, strung, string, scribble, scrape, strange.

The *sw* circle and the *st* loop may be used before the eight strokes , in the same manner as the circle *s*, *but initially only*.

Both the circle and the loop must take the direction of the hook, and be written on the hook side. Examples of these are not very numerous. We have : *pr*, *sweeper* (compare *sweep*) ; *eater*, *sweeter* (*sweet*) ; *pr*, *super*, *stupor*, *outer*, *stouter* (compare *stout*) ; *itcher*, *stitcher* ; *ochre*, *stoker*.

EXERCISE 26.

1. Stop, stopper, state, stater, stage, stager, stag, staggers.
2. Sweat, sweaters, swoop, swooper, swab, swabber, switcher.

Now let us summarize what we have already learned in this lesson.

pr, *br*, *tr*, *dr*, *chr*, *jr*, *kr*, *gr*.

Circle *s* before

spr, *sbr*, *str*, *sdr*, *skr*, *sgr*.

Sw before

swpr, *swbr*, *swtr*, *swdr*, *swchr*, *swjr*, *swkr*, *swgr*.

St before

stpr, *stbr*, *sttr*, *stdr*, *stchr*, *stjr*, *stkr*, *stgr*.

Notice also that in every case a vowel occurs between *sw* circle and the following hooked consonant, and between *st* loop and the following hooked consonant.

The above list must be thoroughly mastered, and the rest is easy.

It must also be clearly understood that the *sw* circle and the *st* loop may not be used with any other hooked consonants than the eight shown above ; hence we write *swaddle*, *swivel*, *swimmer*, etc., and *stable*, *stickleback*, *stipple*, *stifle*, etc.

" Tskr," " Dskr," " Tsgr," " Dsgr." You will probably have wondered how the strokes | and | can be followed by *skr* and *sgr*. We know very well that = *tsk* and = *dsg*. Hence a different method of combining | and must be employed. This is done by writing for *tskr* and for *dskr*, for *dsgr*. The *skr* and *sgr* have the right shape you will see, but the circle is made with a different direction. It is as though the *k* or *g* were written on the top of the *s* in Some examples of the use of these forms are seen in the words *tasker* (compare *task*), *descry*, *discriminate*.

" S " before other Hooked Consonants. When circle *s* occurs before any other hooked consonants than the six mentioned above, or when the combination **s and a** hooked consonant occurs medially, the circle is always written inside the hook in the manner suggested at the beginning of the lesson, both circle and hook being shown.

The forms most commonly needed are—

s fr, *s vr*, *s* **TH***r*, *s shr*, *s zhr*, *s mr*, *s nr*.

and

s pl, *s bl*, *s tl*, *s dl*, *s chl*, *s jl*, *s kl*, *s gl*.

s fl, *s vl*, *s-nl*, *s shl*.

up

" S pr," etc., at an Angle. *press*, *oppress*, *suppress* (circle always read first *s* × *pr* × *s*), but *express*, *tress*, *stress*, but *distress* ; *extras*, *stream*, but *extreme* ; *Cyprus* but *reciprocity*, *wise-acres*, *w* × (*s* × *kr*) ; *reciter*, *mistress*, *lustrous*, *orchestra*.

EXERCISE 27.

1. Bestrew, blusterer, gastric, mistrust, clasper, extremist, expressive, Exeter, housebreaker, mispronounce, misprize, risker, lisper.

COMMERCIAL ARITHMETIC

Continued from page 309

ANSWERS TO EXERCISE G.

1. £134 9s. 3d.
2. (*a*) £223 2s. 6d.; (*b*) £291 13s. 4d.; (*c*) £233 6s. 8d.
3. £11 1s. 2d.
4. £213 2s. 0¼d.

LESSON VIII.

PERCENTAGES.—In Lesson VI it was shown that when quantities are compared, the relation between them may be expressed as a ratio. It was further pointed out that it was often convenient to reduce the ratio to the standard of unity. The application of this method has been noticed in examples on *Rates and Taxes* and *Bankruptcy*. In many commercial transactions and in the compilation of statistical tables the standard of comparison is 100; and just as every ratio might be reduced to the standard of unity, so it is possible to express every ratio in terms of 100.

Thus the ratio $3 : 5 = \frac{3}{5} = \frac{60}{100}$

Every fraction can be expressed as an equivalent fraction, having a denominator of 100; such a fraction is called a percentage.

The rate per 100 is called the rate per cent., and may be expressed by the letters p.c. or by the symbol %.

EXAMPLE. Express $\frac{3}{4}$, $\frac{5}{9}$, and $2\frac{1}{3}$ as percentages—

$$\frac{3}{4} = \frac{3 \times 25}{4 \times 25} = \frac{75}{100} = 75\%$$

$$\frac{5}{9} = \frac{5 \times 100}{9 \times 100} = \frac{\frac{5}{9} \times 100}{100} = \frac{55\frac{5}{9}}{100} = 55\frac{5}{9}\%$$

$$2\frac{1}{3} = \frac{\frac{7}{3} \times 100}{100} = \frac{233\frac{1}{3}}{100} = 233\frac{1}{3} \text{ per cent.}$$

or, Note—100 per cent. $= \frac{100}{100} = 1$

$\therefore \frac{3}{4} \times 100$ p.c. $= \frac{300}{4}$ p.c. $= 75$ p.c.

$\frac{5}{9} \times 100$ p.c. $= \frac{500}{9}$ p.c. $= 55\frac{5}{9}$ p.c.

$2\frac{1}{3} \times 100$ p.c. $= \frac{700}{3}$ p.c. $= 233\frac{1}{3}$ p.c.

Conversely, any percentage can be represented as a fraction. Thus, $25\% = \frac{1}{4}$; $33\frac{1}{3}$ p.c. $= \frac{1}{3}$; 50 p.c. $= \frac{1}{2}$.

EXAMPLE. What fraction is £3 15s. of £5 5s.? What is the ratio? What is the percentage?

The fraction $= \frac{3\frac{3}{4}}{5\frac{1}{4}} = \frac{15}{21} = \frac{5}{7}$

The ratio $= 5 : 7$

The rate per cent. $= \frac{5}{7} \times 100$ p.c. $= 71\frac{3}{7}$ per cent.

In the following table, rates per cent. are expressed as equivalent fractions—

1 %	$\frac{1}{100}$	$8\frac{1}{3}$ %	$\frac{1}{12}$
$1\frac{1}{4}$ %	$\frac{1}{80}$	10 %	$\frac{1}{10}$
2 %	$\frac{1}{50}$	$12\frac{1}{2}$ %	$\frac{1}{8}$
$2\frac{1}{2}$ %	$\frac{1}{40}$	$16\frac{2}{3}$ %	$\frac{1}{6}$
$3\frac{1}{3}$ %	$\frac{1}{30}$	20 %	$\frac{1}{5}$
4 %	$\frac{1}{25}$	25 %	$\frac{1}{4}$
$4\frac{1}{6}$ %	$\frac{1}{24}$	$33\frac{1}{3}$ %	$\frac{1}{3}$
5 %	$\frac{1}{20}$	50 %	$\frac{1}{2}$
$6\frac{1}{4}$ %	$\frac{1}{16}$	40 %	$\frac{2}{5}$
$6\frac{2}{3}$ %	$\frac{1}{15}$	$66\frac{2}{3}$ %	$\frac{2}{3}$

EXAMPLE. The profits of a company have increased this year by 4 per cent. Last year they were £2,375. What are they this year?

	4% = $\frac{1}{25}$	
	£2,375	last year
add $\frac{1}{25}$	£ 95	increase of 4%
	£2,470	this year

In such examples it is often advisable to use a multiplying fraction. Thus, if the profits are increased by 4 per cent. this year, last year's profits may be taken as 100 and this year's as 104. The question now is: "What must 100 be multiplied by to give 104?" Evidently the multiplying fraction will be $\frac{104}{100}$.

$$100 \times \frac{104}{100} = 104$$

$\therefore$ Last year's profits $\times \frac{104}{100}$ ought to give this year's.

$\therefore$ This year's profits $= £2,375 \times \frac{104}{100} = £2,470$.

Now, suppose the example were: The profits of a company were £2,470, an increase of 4% on last year's. What were the profits last year?

Let last year's profits be represented by 100; then this year's will be 104. As we desire to find last year's profits, the question is: "What must 104 be multiplied by to produce 100?"

The multiplying fraction $= \frac{100}{104}$

Hence last year's profits $= 2,470 \times \frac{100}{104}$

$= £2,375$

STATISTICS.—Let us consider the following information contained in a White Paper relating to the cost of education, issued by the Board of Education.

Teachers' salaries amounted to £15,001,726; other maintenance expenses, £4,097,119; medical service, £196,804; and other charges, £5,389,476. Find the percentage of each to the total expenditure. Work to the first place of decimals.

Total expenditure = £24,685,125

Teachers'salaries = $\frac{15001726}{24685125}$ of total expenditure

= $\frac{15001726}{24685125} \times$ 100 per cent. of total expenditure

= 60·8 per cent.

	60·8
2\4\6/8)	1500
	19

Other maintenance expenses = $\frac{4097119}{24685125} \times$ 100 per cent.

= 16·6 per cent.

	16·6
2\4\6/8)	4097
	163
	15
	1

Medical service = $\frac{196804}{24685125} \times$ 100 per cent.

= 0·8 per cent.

	·8
2/4)	—
	19

Other charges = $\frac{5389476}{24685125} \times$ 100 per cent.

= 21·8 per cent.

	21·8
2\4\6/8)	5389
	45
	20
	1

Statistical Table.

Expenditure.	£	*Percentage.*
Teachers' Salaries	15,001,726	60·8
Other Maintenance Exps. ..	4,097,119	16·6
Medical Service	196,804	0·8
Other Charges	5,389,476	21·8
TOTAL	24,685,125	100·0

COMMISSION AND BROKERAGE.—A commission agent is a *middleman*, who is employed for certain services, such as the buying and selling of goods, land, etc., or the collecting of debts and rents. He is usually remunerated by a percentage of the amount of money paid or received. This allowance is termed *commission*. An agent who buys and sells stocks and shares is called a broker, and he receives as payment for his services a percentage of the face value of the stock. This percentage is called *brokerage*.

EXAMPLE. A commission agent is allowed $3\frac{3}{4}$ per cent. Find his commission on selling goods for £375 15s. 2d.

Commission = $\frac{3}{800} \times$ £375·758

= £$\frac{1127 \cdot 274}{80}$

= £$\frac{112 \cdot 7274}{8}$

= £14·0909

= £14 1s. 10d. to nearest penny.

Alternative Method—

1% of £375·758 = £3·75758

1 %	3·75758	
3 %	11·2727	= 3 times 1%
$\frac{3}{4}$ %	2·8182	= $\frac{1}{4}$ of 3%
	£14·0909	= $3\frac{3}{4}$%

EXAMPLE. An agent who collected rents to the amount of £543 8s. 4d. remitted £516 4s. 11d. At what rate per cent. was the commission calculated?

Commission = £543 8s. 4d. − £516 4s. 11d.

= £27 3s. 5d.

∴ Commission fraction = $\frac{\text{£ 27 3s. 5d.}}{\text{£543 8s. 4d.}}$

∴ Commission per cent. = $\frac{27\frac{41}{240}}{543\frac{5}{12}}$ of 100

= $\frac{6521 \times 12}{240 \times 6521} \times 100$

= 5

EXAMPLE. A broker buys for a client £2,350 3 per cent. stock at 78½. Find the brokerage at ⅛ per cent.

⅛ per cent. = $\frac{1}{800}$

∴ Brokerage = £$\frac{2{,}350}{800}$ = $\frac{23 \cdot 5}{8}$

= £2·9375

= £2 18s. 9d.

Or, ⅛ per cent. = 2s. 6d. per £100 stock;

∴ Brokerage = 23·5 half-crowns = £2 18s. 9d.

EXAMPLE. A property was sold for £3,275. Find the commission at the rate of 12s. 6d. per cent.

Note that in this connection, 12s. 6d. per cent. means 12s. 6d. per £100—a restricted use of the term "per cent."

1% = £32·75

10/- per cent. = 16·375

2/6 ,, ,, = 4·09375

12/6 ,, ,, = £20·46875

Commission = £20 9s. 4½d.

CASH DISCOUNT.—Discount is another business application of percentages. Cash discount is an allowance made when a sum of money is paid before it is due, or when it is paid within a certain interval. This allowance is generally reckoned at so much per cent.

EXAMPLE. Goods to the value of £37 11s. 6d. are supplied on 5th January. The terms of the transaction are 2½ per cent. discount within one month. The account is settled on 1st February. What amount was paid?

	£	s.	d.
Goods . . .	37	11	6
Discount 2½% .	0	18	9½
Net . . .	36	12	8½

Notice that the discount is calculated as a percentage of the amount of debt and not on the actual cash paid. Partial payments or payments on account are treated in a similar manner. Suppose the terms of a transaction are 3 months' credit, with 5 per cent. discount for cash within a month. Then if £100 of debt were paid off within the month, the amount of money required to effect this object would be £95. In this case, the discount, £5, would be credited to the debtor, that is to say, £95 paid within the month would pay off £100 of debt. The discount is £5, which is $\frac{1}{20}$ of the debt, but $\frac{1}{19}$ of the money actually paid.

The discount is 5 on £100 of debt = $\frac{5}{100}$
or " " " 5 " £ 95 cash = $\frac{5}{95}$

EXAMPLE. The terms of an agreement are 3 months' credit, with discount of 10 per cent. within 14 days. A merchant bought goods for £350 on 1st January, and paid £150 on 14th Jan. Find the balance due, without discount, on 1st April.

Dr. *Cr.*

		£	s.	d.			£	s.	d.
Jan. 1	To Goods ..	350	0	0	Jan. 14	By Cash ..	150	0	0
					" "	" 10% discount..	16	13	4
					April 1	" Balance.	183	6	8
		350	0	0			350	0	0

The discount is 10 per cent. of the amount of debt.

∴ £90 pays off a debt of £100.

∴ The discount increases the amount of payment by £10 for every £90 paid ($\frac{1}{9}$).

TRADE DISCOUNT.—This is an allowance made from the catalogue price of goods. Thus a manufacturer might allow an agent a percentage off the invoice price of goods. By this means the agent is able to show his customer the catalogue with prices issued by the manufacturer. The trade discount varies with particular trades, and is often as high as 50 or 60 per cent.

EXAMPLE. A manufacturer allows a discount of 45 per cent. from list prices. Find the amount that would be required to pay for goods listed at £137 15s.

	1·3775	1%
	55·100	40%
	6·8875	5%
Discount =	61·9875	at 45%

(move the decimal point one place to the right and multiply by 4.)

	£	s.	d.
To Goods . .	137	15	0
" 45% disct. .	61	19	9
	75	15	3

Or, the net amount = (100 − 45) per cent. = 55%

∴ Net amount = 55 per cent. of £137 15s.

1·3775	1%	137·75	= 100 p.c.
68·875	50% or	68·875	= 50 p.c.
6·8875	5%	6·8875	= 5 p.c.
75·7625		75·7625	

EXERCISE H.

1. The estimated National Expenditure in a certain year was as follows—

	£
Payments to Local Taxation Accounts, etc.	9,665,000
Road Improvement Fund ..	1,340,000
National Debt, etc.	26,204,000
Army	28,235,000
Navy	46,309,000
Post Office	24,366,000
Education	18,717,000
Old Age Pensions	12,600,000
Insurance and Labour Exchanges	7,499,000
Other Civil Services	20,705,000
Total	£195,640,000

Find the percentage of each to the total expenditure (correct to the first place of decimals).

2. A manufacturer allows for the depreciation of his machinery at the rate of 12½ per cent. per annum. If the machinery cost £2,750, at what amount should it be valued at the end of the fourth year?

3. An agent sells a consignment of flour, and charges commission at the rate of 2½ per cent. Instead of remitting the balance, he is told to buy wheat after first deducting a further commission of 2½ per cent. on the cost of the wheat. His total commission was £82. For how much did he sell the flour?

4. The terms of a transaction are 6 months' credit, with 5 per cent. discount for payments within one month, and 2½ per cent. discount within three months. Goods value £750 were bought on 1st February, and £250 was paid on 28th February and £350 on 1st May. Find the balance due on 1st August.

HANDWRITING

Continued from page 310

LESSON VIII.

Note the position of the right arm. See that it has not rolled over—that the thumb is kept bent and does not appear to move when writing.

LINE 4. Notice that *n* starts from the line and finishes at a point equal to the height of the letter. If this is not done, the letter has an incomplete appearance. It often occurs in the writing of those who have a tendency to rush the final letters of a word, the first part being nicely written, with the last two or three letters finished in a scrawl. This is often noticeable in words ending with *ing*. Remember that the speed at which you write should be maintained to the end of the word.

LINE 5. Note the upward curve of the *h*. It is simple and graceful in form. Copy it carefully and make no attempt to vary it in any way.

EXERCISE VIII.

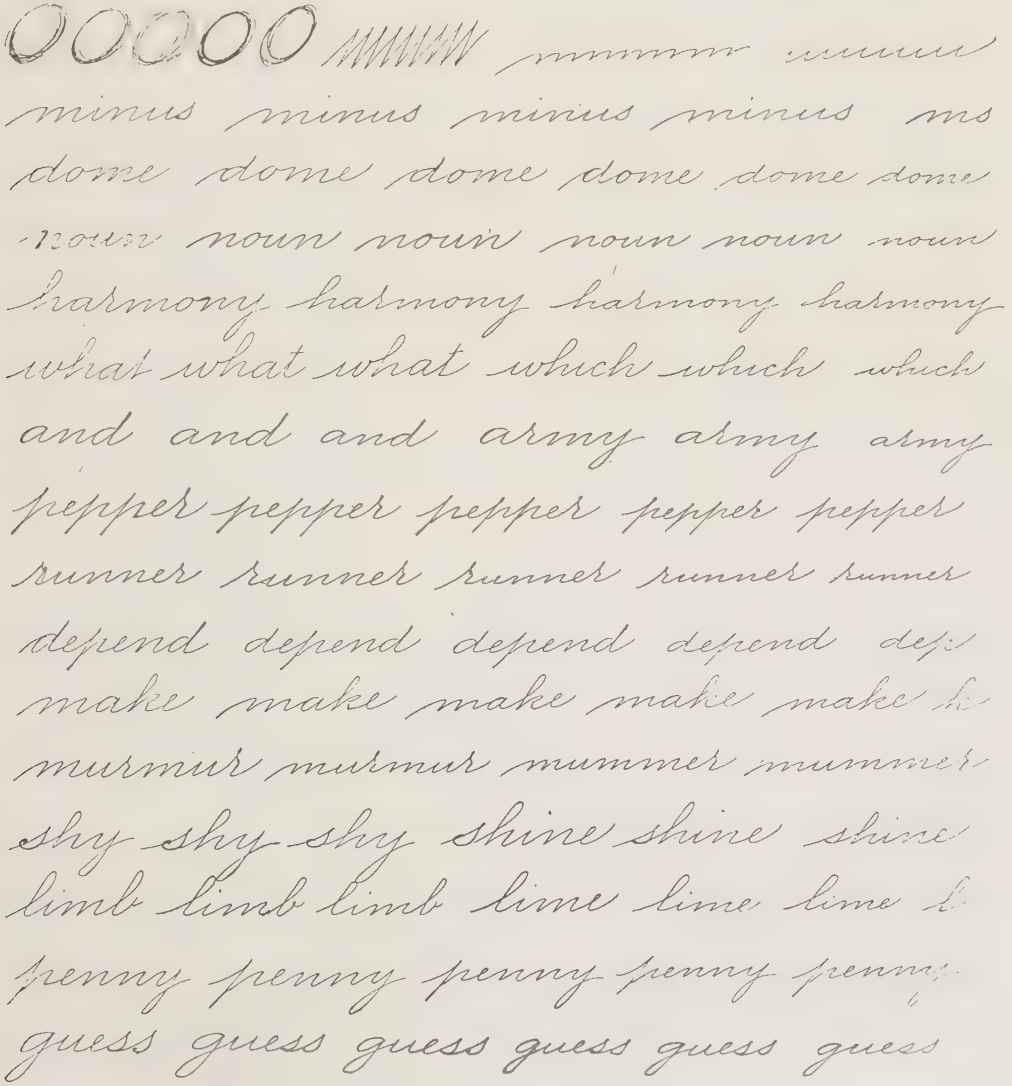


FIG 10

TYPEWRITING

Continued from page 313

LESSON VIII.

PRESS COPYING.—The practice of keeping a record of outgoing correspondence, through the medium of a press copy, was formerly almost universal; but of late years it has been, in a large measure, superseded by the more handy carbon copy, which has the advantage not only of being typed *simultaneously* with the letter, and being very convenient for filing, but also of requiring no special outfit, save the carbon; whereas to obtain a press copy, a letter book, letter press, copying cloth bath, damping sheets, oil sheets, drying sheets, and *copying* ribbon or pad are necessary.

The copying ribbons and pads may be obtained in a variety of colours, as will be seen from the following list, but purple is the favourite colour, as it produces the best press copies.

Ribbons. (One Colour)—

Black Copying writes black and copies black.
Black Copying Purple writes black and copies purple.
Black Copying Green writes black and copies green.
Black Copying Blue writes black and copies blue.
Purple Copying writes purple and copies purple.
Blue Copying writes blue and copies blue.
Green Copying writes green and copies green.
Red Copying writes red and copies red.

(Two Colour)—

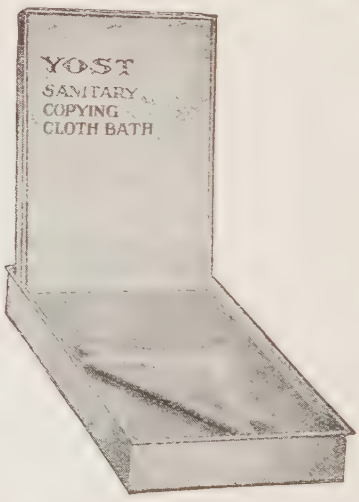
Purple Copying and Red Copying.
Indelible Copying and Red Copying.
Blue Copying and Red Copying.
Black Copying and Red Copying.
Black Copying Purple and Red Copying.
Purple Copying Purple and Indelible, etc., etc.

Pads.

Black Copying Blue writes black and copies blue.
Black Copying Green writes black and copies green.
Black Copying writes black and copies black.
Black Copying Purple writes black and copies purple.
Blue Copying writes blue and copies blue.
Purple Copying writes purple and copies purple.
Green Copying writes green and copies green.
Red Copying writes red and copies red.
Indelible (Official) writes black and copies blue.

DIRECTIONS FOR PRESS COPYING.—Type the letters with a *copying* ribbon or pad; sign them in *copying* ink; open the letter book at the first blank page; lay over the left-hand pages an oil sheet; upon the oil sheet place a damp sheet; turn over the right-hand page of the book; place the letter face downwards upon it, and at the back of the letter lay another oil sheet. Repeat the process until all the letters are inserted, unless there are a large number, in which case it is better to copy them in batches; close the book; secure it in the press, and allow it to remain there from two to four minutes, according to the moisture of the ink, or, in other words, whether the letters have been typed with an old or new ribbon or pad.

When taking out the letters from the letter book, remove the damp sheets and replace in the copying cloth bath; put the oil sheets in the press drawer, and interleaf the pages of the letter book with drying sheets or blotters to prevent them coming in contact with one another while damp.



INDEXING.—The letter book must be indexed (of course, after the pages are dry) by writing up the names of the persons or firms to whom the letters are indited in the index of the letter book, and by placing after the names—in the spaces provided—the numbers of the pages on which the letters have been copied. For example, if letters to Messrs. J. Arnold & Sons have been copied, at various times, on pages 3, 24, 39, 57, and 80, the name would be written up under "A," thus—

Arnold, J., & Sons,

and the numbers of the pages would be filled in from time to time, as the letters are copied, so that they eventually appear in the index—

Arnold, J., & Sons 3 24 39 57 80

It should be noted that it is not necessary to enter the word *Messrs.*, as that is obvious; but where ambiguity would arise, as in the case, say, of *Mrs.* or *Miss*, such words must be written in after the name.

A cross-reference also facilitates matters, and consists of a note being made in pencil or crayon across the top left-hand corner of the page on which the letter has been copied, to the effect that the previous and following letter to the same firm have been copied on pages so-and-so. Thus, in the above example, letters to Messrs. J. Arnold & Sons have been copied on pages 3, 24, 39, 57, and 80; therefore the cross-reference on

pages	3	24	39	57	80
would be	0/24	3/39	24/57	39/80	57/

and when the next letter is written to the same firm, the number of the page on which it is copied will require to be filled in on page 80 to complete the cross-reference, and so on throughout.

Exercise 13.

Set out the following particulars of letters in exactly the same manner as in the previous Exercises. If necessary, in order to ensure the touch principle, type one line of each word first, or, at any rate, a line of the most unfamiliar or difficult words.

Employ single or double line spacing and a five or ten margin, in accordance with the respective lengths of the letters, in order that they may be well balanced over the entire sheet.

Address envelopes; sign the letters, and then fold in half crosswise, and twice in the opposite direction, so that they may fit conveniently into the commercial envelopes.

The Royal Seed Stores, Reading, 24/9/... J. Lloyd, Esq., The Ferns, Letchworth. Dear Sir, I thank you very much for your kind order, which I have duly dispatched, and I beg to enclose herewith receipted invoice. In answer to your inquiries, it is just as well to break off weakly shoots, leaving only one or two strong shoots at the top of the tuber; any others are superfluous, and yield only small potatoes. With regard to the manure, I enclose a leaflet, in which you will find full directions. Assuring you of my best services at all times, I am, Yours faithfully, 1 Enclosure.

Cromwell House, Hampstead, London, N.W., 28/9/... Dear Madam, We beg to bring before your notice "Cromwell House," where we purchase for cash all kinds of furniture, china, glass, plate, antiques, jewellery, etc. Perhaps you may have only a table or a few chairs which you wish to sell; but, on receipt of a postcard, our buyer will be at once sent to value them, no order being too small, or, on the other hand, none too large to receive careful attention, as we are prepared to purchase the contents of Mansions, Houses, or Flats. Owing to the large demand, we are able to offer the very best value, and thereby to ensure future custom and recommendations. All correspondence is treated in strict confidence. Awaiting the favour of your commands, We are, Madam, Yours faithfully,

Special Prices: Jewellery, Antiques, Ivories, Clocks, Bronzes, China, Plate, etc.

Exercise 14.

Follow the same procedure as in Exercise 13.

26 Temple Fortune Buildings, Finchley Road, Hendon, N.W. 30/9/... F. Brown, Esq., The Cedars, Erskine Hill, Hendon, N.W. Dear Sir, We return you herewith the statement sent by you, with your observation at foot. We beg to point out that details have already been sent from these offices addressed to you, the 10/6 being, as you state, for the cinder paths, and the 10/- for attending to your electric light. With regard to the latter amount, of which you say you have no record, we have pleasure in enclosing a copy of the invoice previously sent, and we hope to receive an early remittance. Yours faithfully, 1 Enclosure.

Heywoods, Ltd., Contractors. Queensland Park, Manchester, 3/10/... Mr. Chertsey, 23 Park Road, Alderley Edge. Dear Sir, To be independent of landlords and to own your own house should be the ideal of all thinking people and well worthy of serious consideration. Have you purchased the house in which you are living? If not, you are paying to the landlord a sum which would enable you to actually purchase such a residence, and with our scheme you *really* do become the owner. Taking one of our Queensland Park houses, as an example, we can sell one of these at £300 on a deposit payment of £25, and this need not necessarily be paid in one sum. We could then arrange for the remainder of the purchase money to be spread over a period of (say) fourteen years, so that your yearly outgoings would be: Repayment of capital and interest, £27 10s. per annum, for fourteen years only; Ground Rent, £6 10s. per annum: total annual payment, £34, which is actually less than the rental value, and your house becomes free of all charges, excepting Ground Rent, in fourteen years. Will you give us a call and inspect our Estate? We can offer houses to suit any requirements, from £300 to £800. On receipt of a postcard, we will, if desired, call upon you, or meet you at your office. Yours faithfully, Sales Manager.

[Note. Keep your typed copies of these letters, as you will require them in connection with Lesson IX.]

COMMERCIAL GEOGRAPHY

Continued from page 266

LESSON VII.

SOURCES OF POWER (*continued*).—**Coal.** For the present the chief source of energy is of a chemical nature: the heat of combustion of coal or oil, or the great supplies liberated very quickly by explosives. The application of explosives in mining and quarrying, and in general engineering works, is of great importance, to say nothing of their use for military and naval purposes. Wood is not largely used as a source of power, though it is often used for fuel. In *The Real Siberia*, Mr. Foster Frazer describes the huge piles of wood gathered for the use of the locomotives on the Trans-Siberian Railway.

The most extensive coal-beds of the world, those, for instance, of North America, east of the Rocky Mountains, and of Great Britain, belong to what is known by geologists as the carboniferous era. But, from that period to the present, coal has been forming, almost continuously, in one region or another, frequently not passing beyond a brown coal, or lignite, stage.

The industrial nations at the present time are those which have easily workable supplies of coal. There are still large deposits which have been scarcely worked at all, and there is no immediate danger of the supplies in our own country giving out. But in using coal, it is capital we are using, and at the present rate of consumption, the time when supplies will be used up is not immeasurably distant. What we should do at present without the "black diamonds" it is difficult to conceive. Before the time comes when coal is exhausted, however, other sources of power will probably be developed; in fact, the last few years has seen a very considerable development in the use of oil fuel, and some of the largest ships are now equipped for oil instead of coal.

Until 1900, Great Britain was the largest coal-producing country in the world, but since 1905 it has been surpassed by the United States. The production of the United States is now nearly twice that of Great Britain. China is said to possess the greatest coal area in the world, more than 200,000 square miles. The United States is second with 200,000 square miles. Canada, India, New South Wales, Russia, and the United Kingdom follow in the order named. In Europe the largest known deposits are in Poland, the Ruhr basin, Spain, the north of France, and Southern Belgium. The chief coalfields of the United Kingdom are found in Yorkshire, Durham, Lancashire, South Wales, the Clyde district, Staffordshire, Leicestershire, etc.

Oil. If the use of coal caused a revolution in industry, the use of mineral oil has brought about another great change. It was not until the internal combustion motor had been perfected by the experience gained with motor-cars, that aviation became possible, with all it may mean to the world. The twentieth century gives promise of being the "age of oil," but the amount of oil available does not seem to be very great, and it is likely to be exhausted much sooner than coal is. The main forms in which the oil is sold are, in order of boiling point: benzine or petrol, kerosene, and fuel oil. The first is used in motor-cars, the second as an illuminant, and sometimes, like the third, in heavy oil engines. More than two-thirds of the world's oil supply comes from the United States, especially Pennsylvania and Texas. The remaining chief source would (if anything like normal conditions prevailed) be Russia. Other supplies are obtained from Galicia, Rumania, Persia, Mesopotamia, India, Burmah, Dutch East Indies, and Mexico.

The greatest quantities of benzine come from the Dutch East Indies, America needing its own supplies for motor-cars; kerosene, lubricating and gas oils mostly from America; fuel oils from America and Mexico. It will be noticed that supplies from within the Empire are very small, the chief field being that of Burmah; and as oil is increasingly used in warships, this is rather a serious matter. Trinidad and Barbados give promise of important developments. In Canada and India, also, oil may be obtained. By suitable methods of "coking," much spirit suitable for engines could be obtained from coal.

There is one source of supply available which is likely to increase in importance. Already, owing to the increase in price of petrol, attempts have been made to employ alcohol, and motor cars and engines have used it successfully. Now, alcohol can be obtained from starch in large quantities by fermentation and subsequent distillation. This is a method, then, of using solar energy more directly for our needs, and not living on the supplies of energy stored up in the earth from past ages.

From the refuse of the sugar cane, alcohol can be made in Demerara for 4d. a gallon, and maize also can be made to yield large supplies.

The chief obstacle at present hindering the more extended use of oil, either in the furnace or in the cylinder, is its price. This will continue so long as the sources of supply are limited, but with the area of supply continually extending, the ordinary competition of trade will make the organisation of a monopoly in oil increasingly difficult, either to arrange or to maintain. Some of the principal areas, too, are outside private control.

COMMERCIAL HISTORY

Continued from page 315

LESSON VII.

THE MANORIAL SYSTEM.—Among the features of the medieval, industrial, commercial, and social economy, none is more important than the Manorial System and the gilds. The origin of the Manorial System is a matter about which there is difference of opinion. The system existed for some time side by side with other forms of agricultural and social organisation; but in the Norman period it was the general form of land holding. The Manorial organisation was that of a self-contained group, a little village, at the head of which was the lord of the manor. This lord often possessed several manors, and in such cases employed an officer known as a *seneschal* to supervise them for him. The lord's officer on the separate manorial estates was the bailiff. There was also on each estate an officer known as the "reeve." The reeve was elected by the villeins (tenants on the estate), and he kept an account of their services and tallied with the bailiff.

In order to understand the status and relationship of the tenants on the manor, it is necessary to consider, first, the system of agriculture practised. It was the three-field or open-field system. The manorial estate consisted of three kinds of land: arable, pasture, and waste. The arable land was divided into three fields, each one being divided by balks of unploughed turf into acre and half-acre strips. These strips were allocated to the lord of the manor and the tenants of the manor, the number of the strips allocated to each tenant being dependent upon his status. The strip holdings were scattered over the estate, the good and bad land being thus divided more equitably. Rotation of crops was practised. Of the three fields, the first would in one year be devoted to wheat; the second, to barley; and the third would lie fallow. In the succeeding year the third field would be cultivated and one of the other two left fallow. Thus each field produced crops for two successive years, and then lay fallow in the third year to recuperate.

A co-operative system of cultivating the land was necessarily followed. Few villeins possessed a full team of oxen, and the distribution of land made co-operation in cultivating adjacent plots economical. The meadow or pasture land could be used by the villagers according to their customary or defined rights, and the right of user extended to the waste lands also. Each villager usually owned the site of his cottage and a small patch of land about it. The lord generally possessed some enclosed land about the manor house, in addition to the strips which he possessed in the fields. The lord's enclosed land and strips were cultivated partly by paid labour, but chiefly by the tenants as labour dues. The nature and amount of these dues depended upon the status of the tenant. There were two main classes of tenants: the villeins and the bordars or cottars. In some parts of the country there were a few serfs. The villeins commonly held a virgate, or yardling, usually 30 acres, in scattered strips. The bordars held from 1 to 5 acres, and did not possess oxen or ploughs, as did the villeins. The serfs had no property. The tenants paid no money rent. In return for the right to occupy land, they gave two or three days' labour a week on the lord's land and extra days at harvest time, according to status.

There was little opportunity, under the conditions that prevailed, for exercising initiative or for developing agriculture, and the system was wasteful. Eventually there was a gradual substitution of money rents for service rents, and improved methods of cultivation were adopted; but the manorial system, on a less extensive scale, lingered until the eighteenth century; and it was not until that century that there was any radical change in agricultural methods.

The manor was almost self-supporting. Salt (to preserve meat for the winter); stones for the mill, usually the lord's (at which the tenants ground their corn); and occasionally a little iron (for the ploughs) were the principal, and perhaps the only, articles brought from outside. Wool was gathered; and some of this, after passing through several hands, was exported; but most of it was used up at home. If the lord of the manor owned several estates, part of the produce of each estate might be sent to him; but the commoner way of collecting dues was for the lord with his retainers to visit his manors in turn and consume there the stocks that had been accumulated.

THE GILDS.—The towns were the centres of trade, and in them craftsmen congregated. The specialisation of occupations that necessitated exchange was here in existence; and it increased at a comparatively rapid rate after the Norman Conquest. Localisation of industry became more accentuated, and thus the growth of towns in the Norman period was paralleled by the growth of trade.

The gilds were closely connected with the development of industry and commerce. The spirit of association which leads men to unite for the promotion of common interests prompted men to form associations of various kinds long before the Norman Conquest. The gilds thus

formed were principally for promoting religious or charitable ends. "The 'hanse' or 'merchant gild' came into existence at the end of the eleventh century. This gild was a society formed primarily for the purpose of obtaining and maintaining the privilege of carrying on trade, which implied the possession of a monopoly of trade in each town by the gild members against the other inhabitants, and also liberty to trade in other towns. The exact character of the monopoly probably varied from place to place."

The craft gilds came into existence about the twelfth century. They were associations of artisans, and their establishment marks the rise of a distinct class of craftsmen concerned principally with the making of commodities, perhaps one commodity, as distinguished from the merchant gilds which were concerned with the buying and selling of general commodities. Later on, a further specialisation took place, when there arose a definitely wage-earning class, depending upon an employing class for tools and materials. This specialisation resulted in the formation of journeymen's gilds.

Says Professor Ashley: "The primary purpose which the authorities and the craftsmen themselves had in view was to bring about such a supervision of wares as should secure the observance of generally accepted standards of good work. It was felt to be necessary that in each craft there should be persons definitely set apart to carry out an adequate 'search,' and vested by Parliament, or the civic magistrates, with the necessary authority. For this object, it was enacted by Parliament, in 1363, that 'two of every craft shall be chosen to survey that none use other craft than the same which he has chosen.'"

The merchant gilds were concerned with the regulation and development of trade; they watched over the interests of their members at home and abroad; they helped to maintain the privileges of their members; and they exercised a control over the quality of the goods sold.

The craft gilds exercised jurisdiction in regard to the character of the work done, the processes of manufacture, and, later, in regard to the number of apprentices that might be admitted to the craft. The craft gilds often came into conflict with the merchant gilds, which claimed a monopoly of trade in the commodities made by the craft gilds. This claim the craft gilds strenuously resisted, and the defeat of the merchant gilds on this point in the thirteenth and fourteenth centuries was followed by their gradual decay.

ECONOMIC POLICY AND REGULATION OF TRADE.—The description of the Manorial System and of the Gild System gives us a picture of England's internal industry and commerce in the twelfth century and those immediately following. This was the most important side of the nation's economic life, for there was, as yet, little ambition to figure as a world power. The principle feature of it was the extent to which law and custom regulated the life of the people, and custom was probably as strong as law in defining men's rights and duties. It bound men to the position in life to which they were born; but it also protected them from undue oppression. Gradually, however, the force of custom waned and the definition of obligations by law became more common. This change was largely due to developments in the principal industry — agriculture — and to the increasing importance of wool as an article of export, but also to certain other changes, some of which were connected and other coincident ones. The fourteenth century was particularly important in these respects.

The commutation of labour services for money payments had been going on gradually, but continuously, during the twelfth, thirteenth, and fourteenth centuries. This commutation probably arose at first through the providing of substitutes, accompanied by the payment of fines for unfulfilled obligations, until the practice of tendering and receiving money payments instead of services became recognised as custom. Money payments would often suit the manorial lord very well: as he could use the money to hire labour or for other purposes as he pleased. In 1348-50 the Black Death occurred, and this rendered the money payments inadequate. It killed off half of the population; labour became scarce, and wages rose. Existing custom and regulations failed to meet the new conditions. The new conditions gave the labourers a position of some independence, for their services were eagerly sought, and in many cases the lords of the manors could not get sufficient labour to cultivate the land or gather the crops. These circumstances led to the passing of the Statute of Labourers in 1351. This was an attempt to restore the old conditions and to fix by law what had previously had only the sanction of custom. It re-imposed the old rate of wages, regulated the prices of commodities, and fixed a penalty for those who would not work at the old rates. The penalties were made more severe in 1360. The labourers and artificers might now be imprisoned without the option of bail; and those who broke their agreements and fled were to be outlawed and branded with "F" as evidence of their falsity. The statute broke down; not so much because it was inherently impossible to regulate prices and wages, but because it was no longer possible to enforce the old rates, for, principally owing to changes in the coinage and its relative greater abundance, money prices were ruling higher than before the Black Death, and of this fact the statute took no account. The statute is interesting as an early instance of the attempt of the *central* Government to regulate wages and prices, a function previously exercised by each locality for itself.

OFFICE ORGANISATION AND COUNTING-HOUSE ROUTINE

Continued from page 317

LESSON VI.

COLLECTION AND PAYMENT OF ACCOUNTS.—When goods are sold or services are rendered, it is customary to send a document, termed an invoice (from the French word *envoies*), which contains detailed particulars of the goods sold (or services rendered), and sets forth all information as to quantity, quality, pattern, description, and price. Charges for packing, carriage, insurance, etc., are likewise given when necessary. General instructions regarding allowances for empties, terms, official receipts, etc., appear in the printed headlines, and should be carefully noted. Sometimes the statement "Interest charged on overdue accounts" will be seen; but it may be here stated that, generally speaking, interest cannot be claimed for money due, unless it is so agreed at the time the contract is entered into. Interest is, however, payable on bills of exchange and promissory notes when they are overdue, and judgments of the High Court carry interest. Juries may award interest in actions under certain circumstances; but in the cases supposed to be dealt with by tradesmen's accounts, the interest cannot be claimed, even if the notice appears on the forms.

A *pro forma* invoice is really an imaginary one, the name signifying *for form's sake;* such a document is frequently in the position of a quotation and sets forth the likely cost, and, therefore, care must be taken in its compilation, because it will be binding if accepted. Sometimes a *pro forma* is sent to unknown buyers who do not submit references, or to buyers with whom it is undesirable to open an account on credit. A respectfully worded letter will accompany the document.

A statement of account is usually sent out at the beginning of the month, showing all transactions in briefly summarised form to the end of the previous month, or some other definitely stated period, and is practically a request for payment. Stocktaking statements are frequently asked for, and these are simply to confirm the records of purchases, returns, and part payments appearing in the books of the customers at the stocktaking period.

As subsequent statements are rendered for the same debt, it will be necessary to call attention to the fact that the amount is becoming overdue. Several methods are adopted, and the choice of a system must depend upon the class of customers dealt with; sometimes polite requests are added as footnotes by means of indiarubber stamps, or small slips are attached—printers make a speciality of sets of such slips, variously worded according to the "age" or amount of the debt. For accounts of any magnitude, it is much better form to send an accompanying letter, and particularly is this course desirable in the case of overdue items. A good plan is to enter the long outstanding accounts in a special register, appropriately termed "the black book," and mark against the items the dates of subsequent letters and brief particulars as to replies received. A Doubtful Debts Ledger may be used to keep the ordinary Sales Ledgers clear of these vexatious accounts, the items having been transferred; and such a Ledger may be suitably ruled with columns to accommodate remarks relative to promises, county court judgments, meetings of creditors, bankruptcy information, etc. Besides the advantages derived from the remarks column, it is obvious that these special accounts are grouped together, and may receive the attention of a particular official whose duty it is to deal with defaulters. This official will make a point of scrutinising the lists of county court judgments and bankruptcy matters published in the Mercantile Gazettes and Trade Journals; and when ordinary methods of collection have failed, he will place the accounts in the hands of the firm's solicitors, so that, when necessary, the machinery of the courts may be set in motion for the recovery of the amounts. Sometimes a mere letter from the solicitors will cause the money to be forthcoming. Traders are strongly recommended to make themselves familiar with the elementary points of commercial law regarding infants (persons under twenty-one years of age) and married women, and as much valuable information can be furnished relative to the financial status of individuals by the mercantile agencies (Stubbs', Kemp's, Schimmelpfeng's, etc.), one can to a great extent judge whether a defaulting debtor will be worth "going for" or whether it will be a case of throwing good money after bad. Ordinary debts will be statute-barred after six years, unless they have been kept "alive" by means of written promises, payments on account, or judgments in the courts.

With regard to the payment of one's own accounts, it is well to be prompt and thus acquire a good reputation, which is exceedingly valuable as a means of obtaining credit. Particular attention should be paid to the matter of securing discounts, as it will be found that the advantage gained is considerably more than the interest which would be earned upon amounts on deposit at the bank. The keen business man, if the bank balance happens to be lower than usual, will judiciously select the accounts to be paid in priority to others, keeping in mind special

discounts to be obtained, the respective pressing nature of the items, and the regular credit desired from certain sources of supply. He will endeavour to avoid the expense of interest upon overdrafts at the bank, unless he is going to secure some monetary advantage which will adequately compensate, such as a very favourable purchase of raw materials. It would be unwise to press his debtors unduly so as to raise the necessary funds, as there is grave risk of offending valuable customers; it may be mentioned that the collection of one's accounts requires considerable tact and diplomatic policy. Discounts above referred to consist of two kinds: (*a*) trade; (*b*) cash: the former being deductions from catalogue prices where market fluctuations are likely to exist, and are usually made *irrespective of time;* and the latter are special allowances for prompt payment. As market prices of raw materials rise or fall, so the trade discounts may be at lesser or greater rates to avoid the alteration of catalogues—a costly matter if reprints have constantly to be made.

The forms of remittances are well known, namely, coin (in registered letters, if sent through the post), cheques, postal orders, money orders, bills of exchange, telegraphic transfers, etc.; and the junior should lose no opportunity of acquiring knowledge regarding these matters, commencing with the elementary points set forth in primers, and passing onwards, step by step, to the more intricate details contained in the law of banking and the economic laws of exchange.

In dealing with the remittances received, one must be on the lookout for cheques unsigned (which must be returned to the senders for completion); post-dated cheques (those bearing dates ahead and which have to be kept over until such dates are reached); unstamped cheques from the Isle of Man, and foreign drafts which require stamps to be affixed and cancelled to comply with the revenue regulations of this country; and cheques originally payable to other persons, which must bear proper indorsements. Cheques from Poor Law Guardians are exempt from stamp duty.

SYSTEMS OF ACCOUNT-KEEPING.—Book-keeping has been defined as the science of recording, in a correct and systematic manner, transactions which involve the transfer of money or money's worth. A little explanation of this statement may be useful. When goods are bought and sold, there is a transfer of money's worth from person to person: book-keeping records the names of the parties, the number, kind, and value of the articles, the date of the transaction, and any special terms arranged. When the payment is made for the articles, there is, of course, transfer of money or documents representing money, and these are suitably recorded.

The outstanding features of a *good* system will be the presentation of a record which is so explicit that at any future time the exact nature of the transaction will be quite apparent and understood, and the classification of transactions so that the result of them and the total of any particular series—such as sales (called turnover)—can be obtained without unnecessary trouble or delay.

It is obvious that the methods employed vary considerably, according to the nature of each individual business, but there are *underlying principles* which are the same in all cases. These principles and their application to the usual kinds of transactions should be thoroughly learned—preferably under the guidance of a good, practical teacher of wide experience—and the matter of detail involved affords scope for the ingenuity of the book-keeper in devising systems and rulings of books which will suit the particular business in which he is engaged, and which will give the desired information, including summaries, comparisons of profits, turnovers, details of transactions, etc., with the minimum of labour. Even businesses of a similar nature require different treatment owing to some slight variation in the class of trade dealt with.

Books required. Books are divisible into two great classes—

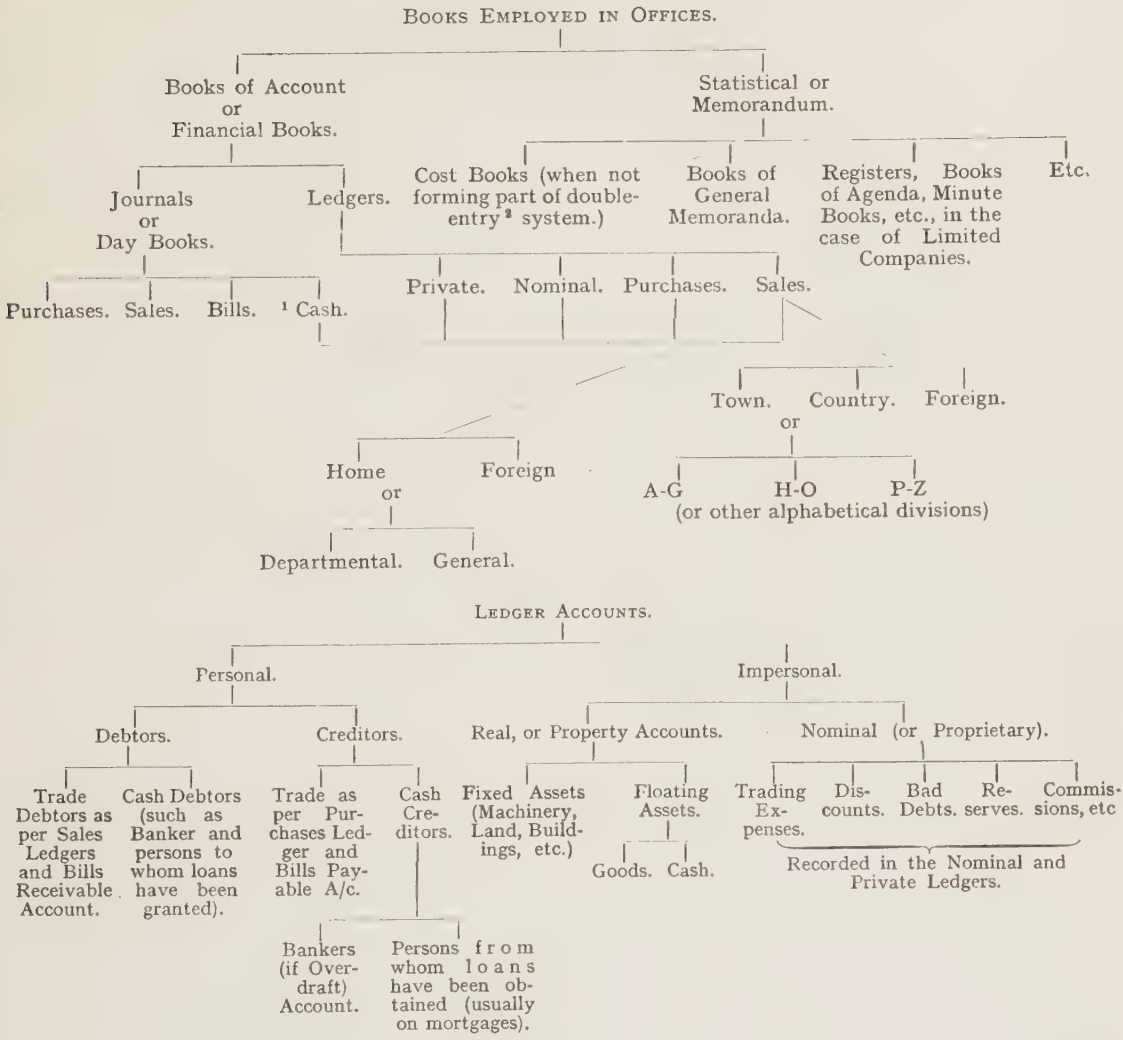
(*a*) Books of Account, or Financial Books;
(*b*) Memorandum, or Statistical Books.

The great distinction between these two classes is that the Books of Account form part of the system of double-entry, and have for their aim the presentation of material for the final accounts, showing the result of the year's working and the position of the business to outsiders, as well as to the proprietors; whereas the Statistical Books do *not* form part of the system of double-entry, their object being merely to provide *additional detail* in connection with the records contained in the Financial Books.

BOOKS OF ACCOUNT.—As the principles of account-keeping are dealt with in the Lessons on BOOK-KEEPING, it will be sufficient if we here consider only the special points relating thereto.

Ledger accounts are of three kinds, viz.: personal, real, and nominal, which really fall into two great classes: personal and impersonal (see Chart on next page). It is most important that these, and particularly the distinction between the two kinds of impersonal accounts (real and nominal), should be clearly understood.

If anything is posted to the *Dr.* side of a real account, it shows as a form of property, probably cash assuming another form of asset; whereas a posting to a nominal account upon the debit side is recorded as a *loss*, and is, finally, a deduction from the profits. This constitutes what is known as the distinction between capital and revenue. Capital expenditure represents cash transferred into the form of another asset, whereas revenue expenditure consists of working expenses



and the cost of maintaining the value of the existing property. The recording of an item in a real account instead of a nominal, or *vice versâ*, is what is technically known as an error of principle, and its effects are far-reaching. It is one of those errors which are not revealed by the Trial Balance; and hence the accountant or chief book-keeper must have a clear conception of such transactions.

JOURNAL. — The Journal which exists in English offices is used merely for recording transactions which do not fall within the scope of the other subsidiary Day Books; and these are such items as interest, bad and doubtful debts, depreciation, transfers from one set of Ledgers to another, opening and closing entries. Unfortunately many offices neglect the keeping of such a book, and we find direct entries, or "blind entries" as they are sometimes called, upon the Ledgers. These may cause serious trouble at balancing time and may give rise to suspicion. It should be a fundamental rule that no entry appear upon a Ledger, unless it has gone through a subsidiary book, and then we have the Ledger or Ledgers as the grand summary or classification of the whole of the subsidiary books of the office.

[1] Entries of Cash Received and Cash Paid are **daily recorded** in Cash Books, but theoretically the Cash Book is a Ledger Account kept in a separate book or books for convenience of posting to the various Ledgers.

[2] In the case of Constructional Engineers the cost books form part of a very elaborate system of double entry. Usually in ordinary businesses cost books are quite separate.

COMMERCIAL LAW

Continued from page 322

LESSON VIII.

LEGALITY AND POSSIBILITY (*continued*).

Restraint of Trade. Closely allied to the contracts which are void as being contrary to public policy are those contracts which are void as being in restraint of trade.

Any adequate discussion of this branch of the subject would need a great amount of space, and it is really a question in every case of the particular circumstances surrounding the whole matter. At one time the rule was that the utmost freedom of trade should be allowed; and, therefore, any agreement which imposed a restraint was enough to render the whole transaction invalid. That was in the days when trading was quite local. But modern conditions have revolutionised everything; and it may now be laid down that, although an absolute restraint upon a person's trading is *primâ facie* beyond what the court will enforce, yet if the nature of the business is such that the restraint does nothing more than give reasonable protection to the person who imposes the restraint, and there is a valuable consideration, the contract will be upheld.

It is to be remembered that in all contracts which are in restraint of trade there must be a valuable consideration, even though the contract is under seal.

Agreements Void by Statute. There are certain contracts which are made invalid by various Acts of Parliament. It is only necessary to refer in a few words to gaming and wagering contracts. These are contracts upon which no action can succeed, if the gaming or wagering is set up as a defence. It is well known that some very ingenious points have been raised at various times as to the nature of these contracts, and some extraordinary decisions have been arrived at. Still, the fact remains that if a person enters into a contract which has the slightest tinge of gambling connected with it, there is a great chance that such a contract will be ultimately declared unlawful. The Truck Acts, 1830-1896, may be mentioned as those which forbid the payment of the wages to workmen except in specie; any contract entered into to pay in kind is void.

There are also other statutes which subject any contracts dealing with the sale of intoxicating liquors, bread, and coal to particular regulations; and if these regulations are not complied with, the contracts relating to them are void.

Possibility. The question of possibility of performance may be dealt with in very few words. In a general way, it may be stated that an undertaking to perform that which is an impossibility is void for want of sufficient consideration. It is always supposed that persons who enter into contracts contemplate the existence of the subject-matter, or the physical ability to carry out the contemplated undertaking. If neither of these things exists, there can be no contract. In considering this question, it is necessary to bear in mind the three classes of cases which have to be thought of, and to see how the parties may be affected by them.

Thus, first, a thing may be absolutely impossible, such as flying round the moon or visiting a distant planet. If a contract was entered into upon such a basis that this was one of the terms, it would, of course, be invalid on the ground that one of the parties had undertaken to do something which was physically an impossibility. But a thing will not be deemed impossible merely because it has never been done or is extremely difficult; if the thing contracted for is such that it could be within the serious contemplation of a reasonable man that it can somehow be done, the contracting person will be bound by his contract.

Secondly, a thing may be legally impossible, because it is forbidden by the law of the land. This has been already discussed under the heading of *Legality*.

The third is actual impossibility, and this is the most important point of all. It arises when parties have contracted as to a certain thing which, without the knowledge of either of them, is non-existent at the time of entering into the contract. If this is so, the contract is void. The best illustration of this last point is the leading case of *Taylor* v. *Caldwell*, in 1863, where one party had agreed to let a theatre to the other, and the other had agreed to pay a certain rent for the same. Without the knowledge of either, the theatre had been burned down at the time the contract was entered into. It was held that, under the circumstances, the contract was void, as it must have been supposed that the parties contracted upon the basis that the theatre was and would be in existence at all material times.

Still, in this last-mentioned instance, it is always possible for either of the parties to contract absolutely and take all risks as to whether the subject-matter is or will be in existence. The person who has to suffer, under the circumstances, has only himself to blame if the terms of the contract are such as to show that he was willing to take all the chances attached to the subject-matter of the agreement.

LIMITED LIABILITY COMPANIES

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LESSON VI.

BORROWING POWERS.—A limited company, finding itself in want of additional financial accommodation, usually resorts to the issue of what are known as "Debentures." No precise definition of this term appears to have been laid down; but a debenture is, in reality, a document creating a charge upon the property of the company, carrying with it a fixed rate of interest, and expressed to be payable at some future date, or irredeemable. The person to whom such a document is issued is termed a "debenture-holder." The sum secured by the document will usually become immediately payable, without regard to any time that may be expressed as the date of payment, (*a*) if the interest thereon is in arrear for three months; (*b*) if a distress or execution be levied upon the company, and the same is not paid out within a certain time; (*c*) if a winding-up order (explained subsequently) be made; or (*d*) if the court shall appoint a receiver of the property of the company. Particulars of debentures must be registered with the Registrar of Joint Stock Companies. A debenture-holder may proceed against the company for the payment of the amount due to him, in the same way as if it were an ordinary debt, or he may present a petition asking that the company be wound up. The most usual course, however, if a company gets into difficulties, is for the debenture-holders to step in and appoint a receiver, whose judicious management may extricate the concern from the unfortunate position in which it is temporarily placed. There are several forms of debenture, but a detailed consideration of these, together with the questions of transfer and the exact nature and extent of the charge given by the conditions indorsed, is only appropriate to the bulky legal volumes dealing exclusively with company law. It may, perhaps, be usefully mentioned that there are certain charges which have priority even over debentures, e.g. a landlord who distrains for rent, a judgment creditor who actually seizes and sells property covered by the floating charge, and certain claimants in winding-up.

CALLS.—It has been mentioned in a previous lesson that the total amount due upon each share in a limited company may not be called up at the time of allotment. It frequently happens that, for example, £1 shares are expressed to be payable as to 2s. 6d. on application, 2s. 6d. on allotment, 5s. six months after allotment, and the remainder when called for. Any application for any portion of the remaining 10s. is termed a "Call." The manner in which such calls are to be made will have been provided for by the Articles of Association, and usually takes the form of a circular letter giving notice of the call and requesting that the sum due in respect thereof may be forthwith paid to the company's bankers. Liability in respect of calls rests, in the first place, upon the person whose name appears in the books of the company as the registered holder of the shares in question. This individual may, and, indeed, often does, if he scents danger ahead, endeavour to get rid of his burden by means of a transfer, in which case difficult questions frequently arise as to who should be considered the true owner of the shares.

DIVIDENDS.—The exact rate of dividend to be declared rests with the directors of a company, who must keep the following four cardinal rules in mind: (*a*) Dividends can be paid only out of profits; (*b*) no resolution of the shareholders or otherwise can override the stringent provisions of the law as to the payments of dividends; (*c*) directors who are parties to an irregular payment of dividends may become personally liable therefor; and (*d*) if they are parties to an illusionary dividend, with the object of raising the price of the company's shares, they bring themselves within the range of the criminal law.

WINDING UP.—It is by the process known as "Winding Up" that the existence of a limited company is brought to an end. This process corresponds, in a great degree, to that of bankruptcy in the case of a private individual. It may be noticed here that a limited company may be formally wound up for the purposes of re-construction or amalgamation with another concern, even although it be perfectly solvent. Assuming, however, a concern has not proved that financial success which its promoters anticipated, there are, generally speaking, three methods by which its period of existence may be brought to a close. It may be subjected to the process of winding up by the court; it may be voluntarily wound up by its own act; or, lastly, it may be wound up under the supervision of the court, a process resembling a mixture of both voluntary and compulsory winding up.

Proceedings for the compulsory winding up of a limited company are usually commenced by way of petition to the High Court of Justice (Companies Winding Up), although they may, provided that the paid-up capital of the concern in question does not exceed £10,000, be taken in the county court within the district of which the registered office is situate. No such proceedings are, however, possible in the London county courts

ADVERTISING

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LESSON IV.

The larger the town in which a youth starts his advertising career, the better opportunities will he find for ultimate success. The beginner should seek to get into touch, by preference, with a firm, such as an advertising agency, which is naturally most interested in exploiting the newest and latest advertising ideas. Next to such a position is the possibility of obtaining an appointment on the advertisement staff of some important publication.

Where direct touch with some big office is not possible, the beginner can, with some confidence, fall back upon a minor appointment in the provinces, backed up by a course of correspondence lessons. But postal lessons in the art of advertising are quite useless unless the learner has the means in some kind of way of coming into contact with actual advertising.

Most newspapers of any importance have an advertisement office and staff in London in the vicinity of Fleet Street. In the district roughly extending from the Mansion House to Charing Cross all the leading advertising agencies are also established. Within the same area also are the offices of the leading billposting companies, advertisement designers, consultants, and block makers; and as a further proof of this concentration, the evening classes held for the study of Commercial Art under the London County Council are situated at Bolt Court, a turning off Fleet Street. All this points a moral to the young man entering the business.

MAKING A START.—Fortunately, for some subtle reason, a young man does not lose caste in Fleet Street on account of early association with a third-rate firm. Any one, therefore, wishing to join the staff of an advertising agency need not be over fastidious about getting experience at the expense of any employer he can find. Writing to a likely firm for an appointment often leads to an engagement, because even the most reputable agents are not above "brain picking," and are always on the look-out for any kind of fertile suggestion that will improve their results and, above all, which will bring the agency new business. A youth with some influential commercial connections, who might go, as it were, with an order for space in one hand, and an application for a position in the other, would not be repulsed; and, as a matter of fact, quite a deal of existing agency business is tied up between the parties by some such mutually advantageous arrangement. The beginner, or his elder, is, indeed, advised to do some preliminary brain-picking on his own account. One very effective way of studying the most approved advertising methods, and at the same time to sift the agency wheat from the mere commission-snatching chaff, is to send in a simultaneous inquiry for the cost of some proposed trade advertising, not necessarily of a very specific nature, to a few advertising agencies and then await results. Letters, booklets, proofs, designs, and estimates will pour in upon the inquirer, in most cases followed up by personal calls; and by the time the would-be advertiser has digested the various proposals and methods laid before him, he will have learnt very much more than any book can teach.

British and American magazines devoted to advertising and salesmanship can also be profitably studied.

One of the very profitable ways of studying advertising is for the beginner to build up his own collection of material. He should cut from daily and weekly papers, magazines, and the like, every advertisement that strikes him personally as being good—good, that is, in the sense of inducing a wish to buy. A number of atrociously bad examples can also be collected and studied. Moreover, as many advertisements as possible should be answered in those cases where catalogues are offered through the post. Above all, the beginner should start collecting advertising material along the lines in which he hopes to specialise later on. As a rough and ready, though quite unscientific, guide to such specialisation, it may be said that advertising usually can be divided as to subject matter into Eatables, Usables, and Wearables. More scientifically the classification lies between Consumables and Non-consumables, sub-divided again into Specialities and Non-specialities. In every case where the study of advertising material induces in the student a strong personal desire to buy, or may even lead to an actual purchase, the learner should very diligently analyse his own feelings and discover for himself precisely what and which argument or emotional appeal it was that led to action. Some knowledge of psychology, or the science of mental and emotional processes, is very useful to the advertising man.

In a word, advertising must be studied as a branch of experimental psychology, both subjectively and objectively. A crowd around a window, attracted by some unusual feature on show, is always worth investigation. For instance, a course of such observation will generally lead to the generalisation that moving objects in windows are specially attractive, and next to these in attention-value are those displays which explain a process,

[RECEIPT FOR CONSOLS.]

£2 10s. per Cent. CONSOLIDATED STOCK.

Transfer Days :

Monday,

Tuesday,

Wednesday,

Thursday,

Friday.

Holidays excepted.

RECEIVED this 1*st* Day of *June*, 19.., of
Arthur Gayton,
2 *Frankfort Mansions, London, W.*
Actor
hereinafter called the said Transferee
the Sum of *Seven hundred and thirty-five pounds*

being the Consideration for *One thousand pounds*

Interest or Share in the Capital of the Two POUNDS TEN SHILLINGS PER CENTUM CONSOLIDATED STOCK, forming part of The National Debt, transferable at the BANK OF ENGLAND, and all *my* property and interest in and right to the same, and the Dividends thereon, by *me* this day transferred to the said Transferee

Witness *my* Hand

Witness
L. Poley.

Frank Westover.

(3026)

☞ This Receipt is of no negotiable value. Stockholders, to protect themselves from FRAUD, can ACCEPT by themselves or their Attorneys all TRANSFERS made to them.

See back.

£	s.	d.
735	——	

Should it be desired that the Dividends be paid to a Banker, Firm, or person other than the FIRST, OR SOLE, STOCKHOLDER, the necessary instructions must be lodged AT ONCE at the Bank.

Fresh instructions are not required upon an alteration in the amount of an existing account.

NOTICE to Holders of £2 : 10 % Consolidated Stock.

(Redeemable by Parliament on, or after, 5th April, 1923.)

See other side.

Should it be inconvenient to Stockholders to attend at the Bank to accept Stock, they can obtain a confirmation of the fact of the inscription of the within-mentioned sum of Stock by forwarding this document, with a request for confirmation and a Postal Order for 1s., to the Chief Accountant, Bank of England, E.C.

Warrants for Dividends, which are due and payable on and after the 5th January, 5th April, 5th July, and 5th October (unless any of these days fall on a Sunday, or Bank Holiday, in which case they will be payable on the business-day next following), will be transmitted by Post—

Without Application:	*Upon Application:*
To Sole or First Stockholders in the absence of any instructions to the contrary. (Sole Stockholder includes Sole Surviving Stockholder, Sole Executor or Administrator, and Sole Surviving Executor or Administrator. First Stockholder includes the First Executor.)	To any Stockholder, Executor, or Administrator, other than the Sole, or First, Stockholder, Executor, or Sole Administrator, or to any Person, Firm, or Company, upon the written Request, in the prescribed form, of all the Stockholders, Executors, or Administrators.

Forms of Postal Request can be obtained at the Bank of England, at any of their Branches, or at any Money-Order Office throughout the United Kingdom.

Dividend Warrants are not posted to Foreign Addresses except at the special Request of Stockholders made on the prescribed form which may be obtained at the Bank of England.

Dividend Warrants will be crossed " & Co." and must therefore be presented for payment through a Banker. The Bank cannot undertake to cross a Warrant payable to a Banker with the account to which the Dividend is to be placed. The Stockholder must himself instruct the Banker.

Persons who receive Warrants by Post, should give notice to the Bank if they are NOT received on the day on which they ought to be delivered; but need not acknowledge those that arrive in due course.

Under the provisions of the National Debt Acts, Stock and Dividends unclaimed for 10 years are transferred to the Commissioners for the Reduction of the National Debt, but may be reclaimed by the persons entitled thereto.

Communications relative to £2 : 10s. per Cent. Consolidated Stock should be addressed, postage paid, "The Chief Accountant," Bank of England, London, E.C.

STOCK CERTIFICATES to Bearer, of the denominations of £50, £100, £200, £500, and £1,000, with Coupons for the Quarterly Dividends attached, may be obtained in exchange for inscribed Stock.

JOURNALISM

Continued from page 343

LESSON VII

LOCAL AUTHORITIES' MEETINGS. — An important and laborious section of the reporter's work is the recording of the deeds and debates of various local governing authorities, including County, Borough, Urban and Rural District Councils, Boards of Guardians, etc. The successful performance of this class of duty is mainly dependent on the reporter's knowledge of local matters, coupled with good judgment of the news value of the many subjects dealt with. A good habit is to go through the agenda beforehand—it is usually forwarded to the editor with the notification of the meeting—and summarise the useful parts of each committee's report, even getting such summaries "set up" in type before the meeting. All that remains then is to add such passages of the debates on these reports as may be of sufficient interest.

REPORTING PUBLIC MEETINGS.—The majority of these are reported in severely condensed form, a third or half of a column sufficing for what it has taken several speakers a couple of hours to say. An experienced reporter can in many cases write a brief introduction during the preliminaries, and then report all he requires of each speech in longhand so that it is ready for the printer as soon as the last speaker resumes his seat. The essential point is to give the right proportion of space to each speaker according to his importance. The chairman's introduction should be fairly summarised; the chief speaker should be reported fully; the rest according to space and value. Unnecessarily copious notes in shorthand are a mistake, but if a heavy "note" should prove advisable a good plan is to draw a line down the margin to mark important passages, thus saving labour when writing the "copy" afterwards. Generally, such reports are written in the third person, the literal first person being reserved mainly for full verbatim reports.

CORPS REPORTING.—When very important and lengthy speeches or debates have to be reported verbatim and the "copy" got to press the same night, it is usual for the reporters present to combine, or even for each paper to send its own "corps." One member of such a "corps" times and controls the "takes," and arranges and prepares the finished copy. He begins by preparing a table as shown in the next column.

The letters I and V are left out because they are liable to be confused with J and U, and their absence renders the division of the alphabet simpler. He starts Smith with a "take" of, say, five minutes, after which Robinson follows for a similar period. Meanwhile Smith is transcribing

Smith	A	G	N	T	AA
Robinson	B	H	O	U	BB
Jackson	C	J	P	W	CC
Jones	D	K	Q	X	DD
Jameson	E	L	R	Y	EE
Johnson	F	M	S	Z	FF

his notes into longhand, marking the folios A1, A2, and so on. By the time Johnson has finished his "take" Smith should be ready to go on again. "Takes" are lengthened if the reporters are falling behind, but as the end approaches they are shortened to the smallest possible limit. Thus several columns of "copy" are ready—and much of them in type by means of a messenger service between the reporters' table and the printing works—as soon as the last speaker finishes.

PRESS POSTAL REGULATIONS.—Reporters should make themselves acquainted with the special facilities granted by the Post Office in connection with Press telegrams. A message may be sent for a charge of 1s. for every 100 words between 6 p.m. and 9 a.m., or 1s. for every 75 words at other times. It may also be sent to a number of addresses for an additional charge of 2d. per 100 words for each address after the first, while the names and addresses are not counted or charged for. If a message of over 200 words is to be sent twenty-four hours' notice is required by the G.P.O., and, if possible, by the local sending office. A late fee of 1s. for every 500 words is also charged if sent after telegraph office hours.

TIMING "FLIMSIES."—Telegraphic messages or "flimsies" pour into a sub-editorial room by the score during the busy hours before going to press, often containing disjointed sections of a news report, or items affecting or cancelling other news items received. Frequently the time of the message is the only guide as to its precedence or order in relation to other parts of the same message. This time is always marked on the "flimsy" in code. Thus the following letters are used as numerals—

A	B	C	D	E	F	G	H	I	K	L	M
1	2	3	4	5	6	7	8	9	10	11	12

These figures may stand for both the hour and the number of five-minute periods after it. For less than five minutes, R, S, W, X, stand respectively for 1, 2, 3, and 4 minutes. Thus the letters D, G, W, would be translated 4.38 o'clock.

COMMERCE

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VIII.

DEPARTMENTAL STORE.

The departmental store can scarcely be regarded as a modern innovation, since it carries out, in the bustling city, the old-fashioned convenience of the village store. The ideal of the owner is the same as the ideal of the village dealer: to provide for every kind of local requirement.

The store and the multiple shop differ in spirit as well as in substance, and the difference is quite frankly stated. One wishes to supply all things for some people; the other some things for all people. One says: "Our shop is in the West End and nowhere else. If you want us you must come or send to us." The other declares: "Our shop is in your nearest main street. As we want you, we have come to you." One has a hundred businesses under one roof. The other has one business under a hundred roofs.

The departmental store can take a man, woman or child and fit out him, her or it with all that human need can require. At least this is the profession. It has food, clothing, furniture of every kind. It can deal with birth, death or marriage. It has bargains for the poor and luxuries for the rich. It is banker, insurance broker, undertaker and furniture remover.

And it is all this under one roof.

In these articles, which profess to deal with business in a broad general manner, the writer finds himself obliged to avoid bias. His desire is to view business entirely from the point of view that will be helpful to the beginner. Consequently it is not in the scope of this article to praise or blame the departmental stores' theory of trading.

The fact is that this method is among us, and it seems likely to remain. The natural question of the business beginner is: "To what extent will it remain? Will the multiple shop and the universal store, in their future conflicts of method, crowd out all the smaller traders?"

The answer to this question can best be found in considering the advantages and the disabilities of such concerns. In considering these, the first thing that happens is a mental division of departments.

Take two cases of potential buyers.

I need some tobacco. My neighbour needs a house of furniture.

In the case of my need, the fact that there are forty branches under one roof will not take me a ten-mile journey for what I can buy at the end of the road.

There is a furniture shop next door to my tobacconist, but I think my neighbour, looking at its limited stock, may consider a ten-mile journey quite worth while in order to see bedroom and dining-room suites by the acre.

"But there are big furniture stores," reasons the reader.

There are, but they have not used other branches of trade as an advertisement. In other words, the furniture department of Blank Ltd. benefits because Mr. Smith bought a necktie a month ago on the ground floor and a toy gun for his nephew last Christmas. He only wants furniture once in a life-time, and he is timid of doing with strangers. He is already a buyer at Blank & Co., so he turns to them naturally.

It is not suggested here for a moment that the great store holds larger stocks than the specialised trader. As a matter of fact the reverse is nearer the truth. A scanty table covered with books and a little corner displaying tools hold stock that would look ridiculous in a proper book shop and ironmongery concern. It is not even suggested that in the case mentioned it could compare with special furniture firms.

But the point is, that in many of the cases where large and unusual expenditure has to be made, the stores are capable of dealing with the reasonable requirements of humanity. And they are able to reap these intermittent harvests by the fact that they already have the buyer's custom.

The specialised trader, surrounded with competitors, has many worse than the universal store. Such concerns are tied to one spot and impose a special journey on most of their clients. The great variety of their stock puts a great strain upon any reasonable method of serving, and payment and delivery, and needs an all-round degree of competence among their workers that it is hardly in human nature unfailingly to obtain.

A satirist wrote some time ago—

"The difference between an ordinary tradesman and the multiple store, is this: That you go into the first and say: 'I want a woolly bear to-morrow for a child of ten,' and the woolly bear duly arrives at the time mentioned. You go into the second and after many lift journeys you say: 'I want a woolly bear to-morrow for a child of ten,' and a fortnight later there arrives a velvet camel with a broken leg."

This is a libel, of course. But the grain of truth in it lies in the difficulty of effective oversight when interests are too widely scattered. The one man in his one shop must always retain an advantage here, that dwindles and lessens the moment he begins to work by deputy.

INSURANCE

Continued from page 274

MARINE INSURANCE.

LESSON I.

INTRODUCTORY REMARKS.—The history of marine insurance is of very considerable interest, and its perusal will well repay the specialist who wishes to be conversant with every matter affecting this peculiar form of contract from the earliest times to the present day. But it is quite sufficient for the average practical man to consider what marine insurance now is; and his wants will be supplied by a study of the law as codified by the Marine Insurance Act, 1906, together with the Marine Insurance (Gambling Policies) Act, 1909.

DEFINITION.—Section 1 of the Marine Insurance Act, 1906, is as follows—

> "A contract of marine insurance is a contract whereby the insurer undertakes to indemnify the assured, in manner and to the extent thereby agreed, against marine losses, that is to say, the losses incident to marine adventure."

It is further provided by the first part of Section 2 of the Act—

> "A contract of marine insurance may, by its express terms, or by the usage of trade, be extended so as to protect the assured against losses on inland waters or on any land risk which may be incidental to any sea voyage."

The expression "marine adventure" might be construed in a very narrow way if left to stand alone, but it is specially stated that there is a marine adventure where—

(*a*) Any ship, goods, or other movables are exposed to maritime perils;

(*b*) The earning or acquisition of any freight, passage money, commission, profit, or other pecuniary benefit, or the security for any advances, loan, or disbursements is endangered by the exposure of insurable property to maritime perils;

(*c*) Any liability to a third party may be incurred by the owner of, or other person interested in or responsible for, insurable property, by reason of maritime perils.

Lastly, whilst on the subject of definitions, it is to be borne in mind that "maritime perils" means the perils consequent on, or incidental to, the navigation of the sea, that is, perils of the seas, fire, war perils, pirates, rovers, thieves, captures, seizures, restraints, and detainments of princes and peoples, jettisons, barratry, and any other perils, either of the like kind or which may be designated by the policy.

As in the case of a fire insurance, it is to be remembered that the contract of marine insurance is one of indemnity, that is, the assured (or insured) cannot claim more than his actual loss.

HOW EFFECTED.—Marine insurance is generally effected with a number of individuals called "underwriters." This term arises from the fact that the persons who signify their willingness to take part in the risk as insurers subscribe their names to the policy, and state the sum for which they respectively agree to be liable. By this means the whole risk is shared by a very large number of people, and whenever losses occur the amount that has to be paid out by any one individual is small in comparison with the sum total of the loss. The association of underwriters which is best known is Lloyd's, who carry on business over the London Royal Exchange.

The whole business is generally negotiated by an insurance broker, who is employed by the insured. According to the general law, this would make the broker the agent of the insured. And so he is for most purposes; but there is one special exception in that the broker is personally liable to the underwriters for the premium which has to be paid. It would be more correct, therefore, to look upon him as a kind of middleman.

THE SLIP.—As soon as the broker has received his instructions, he writes out the details briefly on a small piece of paper, which is called the "Slip," and submits the same to an underwriter, who quotes a premium for the risk. If this quotation is accepted by the broker, the underwriter initials the slip and inserts the amount underwritten by him. The broker then presents it in turn to other underwriters in the same manner, until the amount insured is made up. When the insurance is undertaken by individual underwriters, one slip only is used; if it is undertaken by companies, a separate slip is prepared for each company.

As the policy itself is drawn up from the slip, the broker, as soon as he has secured the total insurance at the sum required, advises his principal as to what has been done; and, in order that the terms and conditions of the policy may be clearly understood, often sends along a *pro formâ* policy for his approval. This communication is advisable as a matter of precaution. It is to be borne in mind, however, that this document is not a copy of the policy, for, by the Stamp Act, 1891, no copy may be issued before the policy has been stamped. The slip itself can never be stamped as a policy, and as far as marine insurance is concerned, it seems that the initialing of the slip does not create a contract to enter into a policy. For all legal purposes, it is the stamped policy alone which can be looked at.

It is useless, or rather wasteful, for any insured person to take out various policies in excess of the

total value of his insurable interest (see below), as under no condition whatever can he recover one single penny in excess of what he has lost.

THE POLICY.—The policy must contain the name or names of the insured person or persons, the name of the ship, the subject-matter of the insurance, a statement as to where the voyage is to commence and where it is to end, the perils against which the insurance is effected, the rights of the various parties arising under special circumstances, the premium, and the amount underwritten. The policy must be signed by or on behalf of the insurer. If the insurance is made by a corporation, the corporate seal may be a sufficient signature, though there is no necessity for the policy to be under seal.

INSURABLE INTEREST.—As in other kinds of insurance, the insurer must have what is called "an insurable interest in the subject-matter" of the insurance, that is, he must be so situated with regard to it that his contract is not a mere gaming transaction. The Marine Insurance Act, 1906, has made it quite clear what this interest is, for by Section 5 it is enacted that—

> "Subject to the provisions of this Act, every person has an insurable interest who is interested in a marine adventure. In particular, a person is interested in a marine adventure where he stands in any legal or equitable relation to the adventure or to any insurable property at risk therein, in consequence of which he may benefit by the safety or due arrival of insurable property, or may be prejudiced by its loss, or by damage thereto, or by the detention thereof, or may incur liability in respect thereof."

At one time it was necessary that the insurable interest should have existed when the insurance was effected, but now it is quite sufficient if it is in existence when the loss occurs.

An insurance is sometimes effected when a ship is supposed to be on a voyage, and the parties to the contract are unaware whether it is still in existence. In order to cover such a case, the words "lost or not lost" are inserted in the policy. If this is done, the insured may recover on the policy for his loss, even though he may not have acquired his interest until after the date of the loss, provided that at the time of effecting the contract of insurance he was unaware of the loss. But if the insured was aware that the loss had taken place, and the insurer was not, he cannot recover. Conversely, if the underwriter knew that the voyage had been safely terminated, he is bound to return the premium paid by the insured.

PERSONS WHO HAVE AN INSURABLE INTEREST.—More than one person may have an insurable interest in any one marine adventure. The persons who have an insurable interest such as is required by law include the shipowner, the owner of the goods carried, the mortgagee of the ship, the insurer of the ship or of the cargo, the person who is entitled to receive freight, the lender of money on bottomry or respondentia, and the master and the crew for their wages.

(Bottomry and respondentia are the names given to loans made to the master of a ship under special conditions, in order to enable the voyage to be completed. The security is the ship in the case of bottomry and the cargo in the case of respondentia. If there are several loans, they are repayable in the inverse order to that in which they were contracted.)

Partial and contingent interests in the subject-matter are also insurable. Indeed, it is difficult to see who can be excluded if there is the slightest conceivable interest, unless the person insuring happens to be an alien enemy. By the general law, an insurance effected with such a person is considered to be contrary to public policy. Where the insured assigns or otherwise parts with his interest in the subject-matter insured, he does not thereby transfer to the assignee his rights under the contract of insurance, unless there is an expressed or implied agreement with the assignee to that effect. But this reservation does not affect a transmission of interest by operation of law, for example, through death or bankruptcy.

INSURABLE VALUE.—The limit of the amount of insurance is the extent of the various interests of the parties. Section 16 of the Marine Insurance Act, 1906, shows how this is to be calculated in the absence of any express provision or valuation in the policy—

> "(1) In insurance on ship, the insurable value is the value at the commencement of the risk of the ship, including her outfit, provisions, and stores for the officers and crew, money advanced for seamen's wages, and other disbursements (if any) incurred to make the ship fit for the voyage or adventure contemplated by the policy, plus the charges of insurance upon the whole: The insurable value, in the case of a steamship, includes also the machinery, boilers, and coals and engine stores if owned by the assured, and, in the case of a ship engaged in a special trade, the ordinary fittings requisite for that trade:
>
> "(2) In insurance on freight, whether paid in advance or otherwise, the insurable value is the gross amount of the freight at the risk of the assured, plus the charges of insurance:
>
> "(3) In insurance on goods or merchandise, the insurable value is the prime cost of the property insured, plus the expenses of and incidental to shipping and the charges of insurance upon the whole:
>
> "(4) In insurance of any other subject-matter, the insurable value is the amount at the risk of the assured when the policy attaches, plus the charges of insurance."

Photo *Russell, London*

SIR STANLEY BOIS, KT.

Chairman of the Rubber Growers' Association

LEADING INDUSTRIES

Continued from page 325

RUBBER

GENERAL.—The rubber industry is of comparatively modern origin. In 1830 the imports into the United Kingdom were less than 25 tons; in 1870 these figures had advanced to over 7,000 tons; whilst in recent years the supplies have been nearly 50,000 tons per annum. But the United States is the greatest consumer of this commodity, taking about one-half of the world's total production. The United Kingdom takes about one-sixth, a quantity which Germany also took prior to the war. The remaining sixth supplies the wants of other countries.

NATURE OF RUBBER.—Rubber is an elastic gum, commonly known also under the names of india-rubber and caoutchouc. The name "india-rubber" was given to the article because it was at first used solely for the purpose of rubbing out pencil marks, and the first specimens were derived from the Indies. Caoutchouc is derived from *cahuca*, the name for rubber in Ecuador. It is obtained from the milky juice or latex of various plants, mainly found in tropical countries. There are, indeed, many latex-yielding plants in the United Kingdom, but they are not commercial sources of rubber. The actual rubber is a mixture of chemical bodies known as hydrocarbons, resins, water, and various other substances, varying with the kind of rubber, that is, which plant it is obtained from, the method of preparation, purity, and so on.

SOURCES OF SUPPLY.—The greater portion of the rubber which comes into the market is obtained from tropical South America, especially the district of the Amazon, and the best rubber tree is the *Hevea brasiliensis*, the source of the Para rubber. This tree is now cultivated in the East, and its successful transportation, after experimental planting at Kew Gardens, from South America to Ceylon and the Malay Peninsula, is one of the most interesting stories in connection with the development of the rubber industry. Since 1876 there are many plantations which have sprung up in the Far East, and as the work of transplanting was carried through by Englishmen, it is not surprising that London is the great centre of control for this particular article. Africa is also a good source of supply.

HOW RUBBER IS OBTAINED.—The process by which crude rubber is obtained from the various trees is known as "tapping." An incision is made in the bark, and the sap is caught as it flows out. Para rubber trees are ready for cutting when they are five years old. Formerly, incisions were made in the shape of a V, but now it is more common to cut the bark spirally. Another method which is frequently adopted is that known as the "herring-bone method." When the sap flows out it is like thin cream, but it gradually thickens upon exposure to the air. The process of coagulation is hastened by means of the heat and smoke of a wood fire, to which the brownish colour is due. It is then ready for the market.

CHARACTERISTICS OF RUBBER.—Crude rubber is very tenacious and elastic; it becomes soft and sticky when heated and hardens when cooled. It is lighter than water, and though it does not dissolve in water it is soluble in essential oil and other solvents. It burns with a bright smoky flame, and gives out a most unpleasant odour.

THE RUBBER MARKET.—Rubber is very largely sold through the rubber brokers, at auctions in London, but sales are also held in some continental ports and also in Colombo and Singapore. Attempts have also been made to induce buyers to deal direct with the producing companies, or through brokers on a system of forward contracts. It remains to be seen what the rubber world thinks of this. The Rubber Trade Association in London lays down the conditions of the sales, and in the event of disputes samples are examined by a committee of the Association. Great skill and experience are required in purchasing rubber, and an expert buyer who is well skilled in international trading, and who has a good knowledge of the Spanish and Portuguese languages, is a man whose chances of commercial success are very great.

USES OF RUBBER.—Either alone or modified, rubber is used for an immense number of purposes, and its value was specially recognised during the Great War. One of the greatest of the demands for it now arises from the motor-car industry, rubber tyres being a most essential part of the equipment of a motor. Other uses which may be mentioned include springs and buffers, gas and water pipes, fire hoses, door mats, dolls, machine belting, all sorts of water-proof coverings, cushions, beds, etc. Vulcanised rubber is a mixture of rubber and sulphur, sulphide of antimony, zinc, oxide, chalk, or lamp-black, and is red, black, or white in colour according to its constituents. It is more elastic and less porous than raw rubber, and is used for a vast number of purposes. If the quantity of sulphur is increased, the useful substance known as vulcanite or ebonite is produced, an article which is of great value in the construction of electrical apparatus, chemical apparatus, stethoscopes, speaking tubes, etc.

THE FOREIGN EXCHANGES

Continued from page 326

LESSON III.

RATES OF EXCHANGE.—It is the function of the Exchange Market to deal in foreign bills (i.e. bills payable abroad); and we now come to a consideration of the rates at which these bills are bought and sold, and the causes which influence the changes that constantly occur in those rates.

On the money market page of a London daily newspaper will be found a table, giving the previous day's rates of exchange relating to the principal commercial centres of the world. Against these, for purposes of comparison, are tabulated the rates that ruled on the two preceding days. These, however, we may ignore. At first sight this table presents considerable difficulties to the student, but a little explanation soon removes all obstacles to a clear understanding.

We will take the following, culled from *The Times*. It shows pre-war rates, also those prevailing in August, 1921, and is of considerable interest as showing how the rates of exchange have been effected by the war. In order to simplify matters, we will append a column, showing to what the figures quoted refer. The figures are those which ruled in the various centres referred to. The rates are telegraphed to London, and are, in regard to the most important centres, quoted in terms of so much foreign currency to the sovereign. Thus the Paris rate is expressed as 25 francs 20 to 21 centimes, meaning that in Paris, on the date of telegraphing, an English sovereign could be bought for that amount of French currency. Lisbon was, until recently, quoted at so many pence to the milreis, but now the quotation is in escudos to a £. An escudo is equal to 100 centavos and replaces the old milreis of 1,000 reis.

The Eastern rates we will refer to in our next Lesson.

Dividing, then, the exchanges into two groups, the one consisting of those quoted in so many foreign coins to the English sovereign, and the other of those quoting so much sterling to the foreign coin, we find that similar movements of the rate (either downward or upward) have precisely opposite effects in these two cases. Thus in the case of the Paris rate, quoted at so many francs to the sovereign, a rise in the rate quoted in Paris means that bills on London are scarce, and the exchange is in our favour. A rise, however, in the Rio de Janeiro rate, quoted at so many pence to the milreis, means that bills on London are plentiful in Rio, and the exchange is against us.

FOREIGN EXCHANGES.

(TABLE OF QUOTATIONS.)

	1914	1921	(*Additional Column.*)
Paris, cheques	25f. 20–1c.	47·50	Francs and centimes to £1
,, Bank rate			
,, Market discount			
Brussels, cheques	25f. 37–8c.	48·65	,, ,, ,,
Berlin, sight	20m. 44¾–5¾pf.	304	Marks and pfennigs to £1
Vienna, sight	22kr. 09–11½h.	3050	Kronen and heller to £1
Amsterdam, sight	12fl. 12⅞–13⅜c.	11·81	Florins and cents to £1
Italy, sight	25lr. 78½–80½c.	86·0	Lire and cents to £1
Switzerland	25f. 27–8c.	21·65	Francs and cents to £1
Madrid, sight	27p. 31–41	28·30	Pesetas and cents to £1
Lisbon, sight	46¼–⅜d. to 1 mil.	6 Escudos to £	
Petrograd, sight	94r. 94–95·04		Roubles and kopeks to £10
Christiania	18kr. 22–5	27·70	Kronor and öre to £1
Copenhagen	18kr. 23½–6½	22·75	,, ,, ,,
Stockholm	18kr. 22–5	16·97	,, ,, ,,
Bombay, T.T.	1s. 4 1/16d.	1·4⅜	Shillings and pence to one rupee
Calcutta, T.T.	1s. 4 1/16d.	1·4⅞	,, ,, ,, ,,
Hongkong, T.T.	2s. 0¼d.	2·8¼	Shillings and pence to one dollar
Shanghai, T.T.	2s. 9¼d.	3·8	,, ,, to one teal
Singapore, T.T.	2s. 4d.	2·3¾	,, ,, to one dollar
Yokohama, T.T.	2s. 0 1/16d.	2·7 1/16	,, ,, to one yen
Alexandria	Pi. 97 7/16	Pi. 97 5/32	Piasters to £1
Rio de Janeiro, 90 days	16 3/16d.	7 27/32	Pence to one milreis
Valparaiso, 90 days	10 1/32d. to 1 mil.	37·70 dollars to £	
Buenos Aires	48 9/32d.	44¼d.	,, ,, dollar
Montevideo, 90 days	51¾d.	44¾d.	,, ,, ,,

SALESMANSHIP

Continued from page 342

LESSON VI.

CONVERSATIONAL ABILITY.—It has been suggested that the salesman should be a mine of information on the articles he handles. One may go farther. A good salesman should know a little about everything. It is useful to him to be able to speak with ease upon any topic that may arise. But though the well-informed salesman has great advantages in possessing ample stores of knowledge, they are advantages that must be used with care. Too much loquacity is frequently a blunder. It may actually prevent business.

Said a customer of a certain shopkeeper: "I always come out of that shop with half the things I want, forgotten. As soon as I have told Mr. Rufus the first two or three things, and he has got them down, he starts to talk—talk—talk till my head spins. It's about the Russians, or the New Art Gallery, or the Duke of Connaught's visit, or anything. All very interesting, of course; but I do get annoyed when I find there is no salt for dinner, and all because he drove the subject out of my head. I shall *have* to change."

Obviously this man was making a blunder. Conversational ability is a good thing, but conversational mania is ruinous.

LET YOUR CUSTOMER TALK.—There is another way in which a man may let his tongue injure his business, and this is by adopting an irritating manner of interrupting in the middle of every sentence, completing the sentiment and adding a few embellishments. This fault is a social one rather than a business one, but it hurts business as much as it hurts social life.

Another form of this fault is what we might describe as the "patient tolerance" style of speech. A good specimen of the men who use this is the one who loves to talk to his customers and patiently listens to all they say. But all he hears is absolutely ignored, and every sentence commences with: "As I was just saying . . ."

He is polite, scrupulously so. There is a tolerating smile of waiting, almost of forbearance upon his face when his customer is interjecting a remark, and then back he goes to the subject of his own choice and "As I was just saying."

Now, little tricks of manner like this are difficult to correct, because the man who has them may be almost unconscious of the fact. They amount, though, to snubs, and it is small wonder that some people feel that they are not being politely treated.

The best corrective to this is for the salesman to remember that his customer's speech is one of his main weapons. To a large extent, a salesman is a detective searching for clues. He is seeking information. He should always be reasoning to himself: "There are many things this man or this woman wants, which I can supply. A chance word will give me a hint. I must lie in wait for that chance word."

What good detective (in real life or in a romance) ever talks when he should be silent? The writer believes it is the axiom of Scotland Yard (it certainly is of the detective story heroes) that you must make the other man talk.

See the salesman who works on this method. How alert he is. He knows just the right moment to break in: "That reminds me. You say you'll be travelling through the night. Have you seen these new travelling rugs? You slip your head through the hole near the top and . . ." Or, listening to the lady customer's long reasons as to why she is going to Brighton instead of Southend. "By the way, these collapsible prams are so useful for the seaside, especially when there are hills." It may or may not lead to business, but the salesman has seen the nurse and the heavy perambulator outside the door, and he has got a hint from the lady's conversation. He knows Brighton's hills and the narrow passages of its boarding-houses. He may only send his customer to Hove or Margate instead . . . or he may sell a collapsible pram.

When a customer asks for information, do not snap it at him. He has a right to ask foolish questions, and it is the salesman's business to answer them to the best of his ability. Do not say: "Will that be all?" as though you were not satisfied with the amount of the purchase. You may politely call his attention to some other article; but make him feel that you appreciate his pence as well as his shillings.

"Something suitable for a wedding present" will make one salesman cover the counter with butter-coolers, jam jars, and similar trifles. It will make another remember that there is a furniture department in the business, and help him to find out (if nothing more) the bridegroom's name and address.

The man who can make his customer do the conversing is the one who can be gaining hints all the time. A very wrong ideal of salesmanship is to sell people what they don't want. But a very important duty is to find out what people do want.

And folk are telling this all the time to those who have ears to hear.

Therefore, endeavour to be a good listener. "Mouth shut, and ears open," is sometimes good policy. Then, having got all the "groundwork" on which to build his eloquence, the salesman can show his abilities in that direction—but all the time he should be ready and willing to stay his tongue if his customer takes up the conversation.

COMMODITIES OF COMMERCE

Continued from page 272

CELLULOID.—This substance, which is also known as xylonite, was first prepared by Parkes, of Birmingham, in 1856, and was originally called Parkesine. Its manufacture was afterwards improved by Hyatt, an American, who made celluloid a predominantly American product. It is an ivory-like compound, consisting chiefly of pyroxylin (a dried solution of gun cotton) and oil of camphor. The pyroxylin is obtained by treating cellulose with a mixture of nitric and sulphuric acid, and dissolving the same with nitro-benzol or some other solvent. The resulting substance is then mixed with castor oil or cotton-seed oil, and made into a kind of paste by passing it through hot rollers. At a temperature of 80°C., celluloid is soft and can be moulded into any form desired. Various other processes are then applied, and the finished article is hard and can be carved or planed in the same manner as ivory, for which it is often substituted in the manufacture of many articles, such as billiard balls, piano keys, combs, knife handles, etc. When coloured, celluloid is used as an imitation of amber, tortoise-shell, malachite, etc. Its chief drawback from a commercial point of view is its inflammability, and as yet, in spite of many attempts, this has not been effectually neutralised. It is unaffected by water or exposure to the atmosphere. There are also celluloid varnishes, which are in great demand as lacquers for brass.

CHALK.—Chalk is a pure limestone or carbonate of lime often mixed with small quantities of silica, alumina, and magnesia. It is white, soft, opaque, and without the slightest appearance of polish in its fracture. In spite of this general quality of softness, there are some varieties of sufficient hardness to be used as building stone. Upon being burned, chalk is changed into lime, and it is then largely used in making mortar. If it is mixed with clay, the result is Roman cement. In agriculture, chalk is valuable as a manure. When pounded and purified, it is known as "whiting," an article much used for domestic purposes. The name "chalk" is given to various substances which are quite distinct from common chalk: (1) Black chalk. This is a peculiar kind of slate or clay found in France, Spain, and Italy, used in drawing and painting. (2) Red chalk. This is a mixture of clay and peroxide of iron found in Germany, much employed by painters. (3) French chalk, This is a preparation of soapstone or steatite.

CHARCOAL.—This is an impure form of carbon, obtained by removing the volatile constituents of animal and vegetable substances. The usual method adopted to prepare charcoal is to heat the substance from which it is obtained in some close vessel, so as to avoid contact with the air. Wood is the commonest basis of preparation, but the purest form of charcoal is obtained by heating white sugar in a platinum vessel, and this is the method adopted when the article is required for chemical purposes. Charcoal is a black, porous, insoluble solid. As it possesses the power of condensing unwholesome gases within its pores, it is in great demand as a disinfectant and deodorant, and as a purifier of waters by means of filters. It is likewise largely employed in sugar refining (to remove the brown colour from unrefined sugar), in the manufacture of gunpowder, in the making of crayons, and in various medicinal preparations A brown variety of charcoal is used for the purpose of adulterating cocoa.

COCHINEAL.—This is a natural dye-stuff, used for dyeing scarlet, crimson, and orange, and also for preparing the pigments lake and carmine. It consists simply of the dried bodies of the *Coccus cacti*, a Mexican insect, so-called because it lives upon plants of the cactus family. The insect has been introduced, in recent years, into the Canary Islands, Algeria, Java, and Australia. The dried bodies of the female insects are alone of value, and they are collected from the plants into bags, after which they are killed, either in an oven or by exposure to the sun or steam. When dried, the bodies have the appearance of very small eggs, and as many as 70,000 are required to make up one pound of dye-stuff. The value of cochineal has much declined since the introduction of aniline dyes.

COPPER.—Copper is a metal which is rarely found native, except in the neighbourhood of Lake Superior, but the ores from which it is extracted with little difficulty are widely distributed. The principal ores are copper pyrites, copper glance, and malachite. The chief supplies for British consumption are drawn from Cornwall and Devonshire, Spain, Portugal, and Australia. The greatest centre of copper smelting is Swansea. There are huge deposits of copper in the United States, where the working of the metal has become a very important industry. The metal is reddish in colour, takes a fine polish, and possesses a faint odour. When exposed to a moist atmosphere, it becomes green. It is hard, malleable, ductile, and tenacious, and it is one of the best known conductors of heat and electricity. It dissolves in nitric acid. Its specific gravity is 8·9. Copper is used in many ways. Besides its employment for electrical purposes, it is of special utility for engravings and etchings, for copying by electrotype, for kitchen utensils, etc. It is important as a constituent of various alloys.

MEDITERRANEAN

Charter Party

*London,*_____191

ORE CHARTER

F. D.

1. IT IS AGREED BETWEEN_____
owners of the good Steamship or vessel called the_____
of_____tons net register, now_____
_____
and _____

2. That the said Ship being warranted tight, staunch, and strong, and in every way fitted for the voyage, shall, after delivery of her outward cargo, proceed with all convenient speed to_____
and there load in the customary manner, in turn, when, where and as soon as ordered by Shipper's agent, a Cargo of Iron Ore, say about_____tons, not exceeding what she can reasonably stow and carry over and above her Tackle, Apparel, Provisions and Furniture, and being so loaded, shall forthwith proceed to_____
_____
and there deliver the same as customary, when, where and as directed by Consignee, to whom written notice is to be given during office hours of the Vessel being ready to discharge, Ship paying for discharging One Shilling per ton on quantity delivered.

3. Freight to be paid at and after the rate of_____
_____
per ton of 20 cwt. delivered, in full of all charges, pilotage, consulage, lights, trimming, cranage, haulage, lighterage, towage and all other dues, including dues on Cargo as customary if Steamer discharges at a Scotch port.

4. Sufficient Cash for Ship's disbursements, not exceeding one-third of the entire freight, if required to be advanced at Port of Loading, at the customary exchange by Shippers against the receipt of the Master on Bills of Lading, less Three per cent. to cover commission, interest, and insurance, and the remainder of the freight to be paid on right and true delivery of the whole Cargo in Cash.

5. The Cargo to be shipped at the rate of Tons per clear working day of 24 hours (weather permitting), Sundays and Holidays always excepted; and to be discharged on same terms. Time lost by reason of all or any of the following causes shall not be computed in the loading or discharging time, viz.: Force Majeure, War, Rebellion, Tumults, Civil Commotions, Insurrections, Political Disturbances, Epidemics, Quarantine, Riots, Strikes, Lock-outs, insufficiency of or stoppage of Miners, Workmen, Lightermen, Tugboatmen, or other hands connected with the Working, Carriage, Delivery, Shipment or Discharge of the said cargo whether partial or general, or Accidents at the Mines, at Receiver's Works or Wharf, Landslips, Floods, Frost or Snow, Bad Weather, Scarcity of Wagons, Intervention of Sanitary, Customs and/or other constituted Authorities, partial or total Stoppage on Rivers, Canals or on Railways and Interruption of Navigation on the Rhine, Maas or Waal Rivers through abnormal low water, ice or drift ice and whether any or all of the foregoing occurrences interfere with the actual loading and/or actual discharging or not, or any other cause of what nature or kind whatsoever, whether on land or on water, beyond the personal control of the Shippers, Consignees, Freighters or their Agents, whereby they may be prevented or delayed in Supplying, Loading or Discharging. Demurrage shall not accrue if the loading or discharging be wholly or partially prevented or delayed by any of the above-mentioned causes.

6. Time for loading to count from 6 a.m. after the Ship is reported and ready in turn, and for discharging from 6 a.m.after Ship is reported and in every respect ready in berth, and in free pratique. Steamer to be reported during official hours only. In case Shippers can arrange to load or discharge on Sundays or Holidays, or before time commences to count, Captain to allow work to be done; such time not to count. Time between 1 p.m. Saturday and 7 a.m. Monday not to count.

7. The Ship [illegible] with [illegible] possible [illegible] (but within the [illegible] of this [illegible]) [illegible]

by Captains signing Bills of Lading for a greater quantity
ng the Captain not to sign Bills of Lading for one ton more
cement the weight of cargo, and make sufficient allowance
Captains sign for an excessive quantity, dues paid by the
_____possession.

EXPORT TRADE

Continued from page 328

LESSON V.

GENERAL AVERAGE.—A general average loss is one occasioned by a general average act. It includes general average expenditure as well as a general average sacrifice. A general average act is an act whereby any extraordinary sacrifice or expenditure is voluntarily and reasonably made or incurred in time of peril for the purpose of preserving the property imperilled in the common adventure. Where there is a general average loss, the party on whom it falls is entitled, subject to the conditions imposed by maritime law, to a rateable contribution from the other parties interested, and such contribution is called a general average contribution.

The sacrifice or expense must be voluntary or intentional, and made or incurred for the sake of safety; moreover, it must be reasonable. *A loss incurred for the ship only or for the cargo only does not constitute general average.*

About 1860 a movement was set on foot to obtain an international codification of the laws governing general average, on account of the trouble and inconvenience which were caused by the different application of these laws by various foreign countries. At a meeting held at York in 1864, a basis was suggested; and working from this, a congress of merchants, underwriters, jurists, shipowners, average adjusters, and others interested agreed, in 1877, at Antwerp, upon a set of rules which were intended to be the basis of a uniform system of general average. Hence the style "York-Antwerp Rules." They were improved upon at a meeting in Liverpool in 1890, and are now generally incorporated in Bills of Lading and similar shipping contracts. It is usual for the corresponding insurance contracts to provide that all claims shall be adjusted in accordance with the provisions of those rules. Among other matters not mentioned above, the York-Antwerp Rules make provision for deductions on the basis of "new for old" in respect of repairs to old anchors, chains, ropes, etc., etc., which have to be replaced.

PARTICULAR AVERAGE.—Particular average is a loss arising from accidental damage caused by the perils insured against to some particular interest. It is borne wholly by the party upon whom the loss falls; and is so called in distinction from general average, to which divers parties contribute.

AVERAGE STATEMENTS.—Average Statements are documents prepared by experts in marine insurance, and consist of a statement (taken from the ship's log-book and the sworn evidence of eye-witnesses) of the whole of the event through which the loss or damage arose, surveyors' reports, repairers' specifications, etc., etc.; and a detailed list of expenses incurred by the ship in connection with the matter. Finally, the amount which each party concerned is called upon to bear is set out in full.

SPECIAL CLAUSES IN POLICY.—There are a great number of clauses added to policies nowadays, some of which counteract wholesale many of the provisions contained in the body of the document itself. No useful purpose would be served, however, by dealing with these clauses in full; but it may be stated that the "Waiver" clause is included in every policy, and is really part of its body. The "Waiver" clause says: "And it is especially declared and agreed that no acts of the insurer or insured in recovering, saving, or preserving the property insured shall be considered as a waiver or acceptance of abandonment." Further, what is known as the "F.P.A." clause (free of particular average) should be studied, as also should the "All Risks" and the "Institute Cargo" clauses. These clauses are mentioned because they are the ones most frequently used in the insurance of general cargo.

THE "F.P.A." CLAUSE.

Warranted free from particular average, unless the vessel or craft or the interest insured be stranded, sunk, or on fire, or in collision with ice or any substance other than water (floating or non-floating), the collision to be of such a nature as may reasonably be supposed to have caused or led to damage of cargo, each craft or lighter to be deemed a separate insurance, but to pay warehousing, forwarding, and special charges, if incurred, as well as partial loss arising from transhipment.

General Average and Salvage Charges payable according to Foreign statement, or York-Antwerp Rules, or 1890 Rules, if in accordance with the contract of affreightment. Including all risks of craft and boats. With all liberties as per Bill of Lading and/or Charter-Party.

Including all risks of transhipment and of craft, lighterage and/or any other conveyances, from the warehouse until on board the vessel, and from the vessel until safely delivered into warehouse, or destination in the interior, or of fire while waiting shipment.

In case of deviation, change of voyage or additional risk not specified, to be held covered upon terms to be arranged.

THE "ALL-RISKS" CLAUSE.

Average payable on each package separately or on the whole. General Average and Salvage Charges payable according to foreign statement, or York-Antwerp Rules, or 1890 Rules, if in accordance with the contract of affreightment. Including all risks of craft and boats, and all risks and accidents arising from steam navigation, landing, reshipment, or transhipment if incurred, also all liberties, liabilities and exceptions of the Bills of Lading and/or Charter-Party including negligence clause.

INSTITUTE CARGO CLAUSES.

1. Warranted free of capture, seizure and detention, and the consequences thereof or any attempt thereat, *piracy excepted*, and also from all consequences of hosiilities or warlike operations, whether before or after declaration of war.

2. Warranted free of loss or damage caused by strikers locked-out workmen or persons taking part in labour disturbances or riots or civil commotions.

3. General Average and Salvage Charges payable according to Foreign Statement or per York-Antwerp Rules if in accordance with the contract of affreightment.

4. Held covered, at a premium to be arranged, in case of deviation or change of voyage or of any omission or error in the discipline of the interest, vessel or voyage.

5. Including (subject to the terms of the Policy) all risks covered by this Policy from shippers or manufacturers' warehouse until on board the vessel, during transhipment if any, and from the vessel whilst on quays, wharves, or in sheds during the ordinary course of transit until safely deposited in consignees' or other warehouse at destination named in Policy.

6. Including risk of craft, raft, and/or lighter to and from the vessel. Each craft, raft, and/or lighter to be deemed a separate insurance. The Assured are not to be prejudiced by any agreement exempting lightermen from liability.

7. Including all liberties as per contract of affreightment. The Assured are not to be prejudiced by the presence of the negligence clause and/or latent defect clause in the Bills of Lading and/or Charter Party. The seaworthiness of the vessel as between the Assured and the Assurers is hereby admitted.

INSTITUTE CARGO CLAUSES (F.P.A.).

(1 to 7 as above.)

8. Warranted free from Particular Average unless the vessel or craft be stranded sunk or burnt, but the Assurers are to pay the insured value of any package or packages which may be totally lost in loading transhipment or discharge, also any loss of or damage to the interest insured which may reasonably be attributed to fire, collision or contact of the vessel and/or craft and/or conveyance with any external substance (ice included) other than water, or to discharge of cargo at a port of distress, also to pay landing, warehousing, forwarding and special charges if incurred.

IMPLIED WARRANTIES.—It should be borne in mind that there are certain implied warranties in insurance. A warranty is a guarantee to do or not to do certain things, but the following conditions are implied and need not appear on the policy—

(*a*) An undertaking not to deviate from the voyage.

(*b*) The ship must be seaworthy.

(*c*) The insured must take reasonable care.

CHARTERING.—It is found expedient by a large number of exporters to send their goods away in chartered (or hired) ships, instead of shipping them in the ordinary way by a regular vessel. Necessary to this procedure is a document known as a Charter Party. The Charter Party specifies the nature of the voyage, the number of days allowed for loading, discharging, and waiting for orders; the tonnage of the ship in question, and the rate of freight to be paid. This document must bear an impressed 6d. stamp.

A vessel chartered to carry any specified kind of goods may not carry any other kind, but ships are frequently allowed in the "Party" to take "any lawful kind of merchandise" at so much per ton.

Clause 3. "*Pilotage.*" Pilotage is money paid to a ship's pilot for navigating the vessel through certain waters, the peculiarities of which are far better known to him than the captain of the vessel. There are certain stretches of water—parts of the English Channel, for instance—through which most ocean-going vessels are conducted by a pilot with a specialised knowledge of that stretch of water. Pilots are nearly always employed in cases where a boat has to go some way up a river before unloading.

"*Consulage.*" Fees paid to a Consul for services rendered.

"*Cranage and haulage*" refer to expenses incurred in loading or unloading the vessel—a remark which also applies to

"*Lighterage,*" a lighter being a boat—generally a barge—which relieves the vessel, or "lightens" it, of cargo which is to proceed elsewhere by water—up a river, for instance.

"*Towage.*" In certain rivers it is desirable (sometimes compulsory) to tow a vessel instead of letting her proceed under her own power. Towage is money paid for towing.

Clause 5. "*Force majeure.*" The stress or compulsion of circumstances which can neither be prevented nor overcome; those dangers and accidents which are beyond human power to control or oppose. This term has rather the same force as "the Act of God" in the Bill of Lading.

"*Demurrage.*" A charge of so much per day made by the owners for the detention of the vessel beyond the time stipulated in the Charter Party. (See *Lay Days.*)

Clause 6. "*Pratique.*" A certificate issued by a doctor of the port at which a ship is unloading to certify that all on board are free of infection and may come ashore without danger to the health of the port. The requirement of "*pratique*" is not enforced in all ports.

Clause 7. "*Lay Days.*" The days fixed in the charter for loading and unloading. The Charter Party contains a clause intimating when "lay days" shall commence.

Clause 17. "*Shippers to put the mineral on board.*" It should be noticed that this is a specimen of an ore charter, hence the word "mineral."

Clause 18. "*Dead freight.*" If a charterer charters a vessel and fails to fill her, there is, of course, a certain loss to the shipowner, for the vacant space in the vessel is wasted. Dead freight is the loss to the shipowner in such a case.

Most of the other terms which the student is not likely to understand have been explained either in the section on Bills of Lading or in that on Insurance.

It will be observed from the Charter Party that should the vessel not be ready to take cargo or to sail by the stipulated time, the owner is liable to damages; but, on the other hand, the owner has a similar call on the merchant if the latter fails to fulfil his part of the contract.

(*Concluded.*)

COMMERCIAL TRAVELLING

Continued from page 274

LESSON VI.

KNOWLEDGE OF GOODS.—The traveller should know his subject: selling china, carpets, or cocoanut comfits, he is all day long meeting problems that can only be solved by the possessor of special knowledge. The man who only works on list prices is always at a disadvantage, for price is not everything in a deal. A traveller should know his subject with an interesting kind of knowledge.

"You are hopelessly beaten," said the buyer; "you want 44s. a cwt. for that line. Look at this! I pay 38s. for it."

"Yes," said the traveller who knew his line, "and goods which look exactly the same can be made and sold at 22s. a cwt. Now, let me explain where the difference lies."

Then followed a description of the manufacture, a chat upon ingredients and grades of quality, which made the customer understand, and brought business.

"Oh, but I can't know all about the goods I am to sell," replies some traveller.

Perhaps not. This particular man was a practical worker, who had once made these particular goods in a factory. But a little knowledge is better than none at all, and there is all the difference in the world between a traveller getting a little intelligent information from his firm and simply stuffing the sample in the sample bag with a subconscious comment: "I don't know what it's made of, and I don't know what it's used for; but it is twenty shillings a hundredweight, and there is 5 per cent. for cash."

KEEP FAITH WITH YOUR CUSTOMERS.—This sounds trite; but it is not offered as a copy-book heading. The beginner will be meeting all kinds of competition on the road, and will speedily learn that the most terrible kind he has to face is the competition of high-principled, honourable men.

There are a certain number of people on the road whose code of honour is remarkably high. These men get known and their customers learn to trust them. Sometimes these men are better friends to their customers than they are to their firms; sometimes they hold the scales very evenly in the interests of both. But their buyers know them and rely upon them.

It is a really very surprising thing the way in which some of these men are treated. Big deals and contracts are carried through without a scrap of writing on paper, and heavy purchases are made with an off-hand: "I leave the price to you. Do your best for me."

Just think how it helps a man to have a reputation like this. And think how hard is the work of any opponent to take trade away. Yet the beginner has to compete with such men. It is hard competition. His only safe chance is to follow the example. Woe betide the luckless wight if, tempted by some tale of *smartness* or seeing a brilliant chance of getting the better of his customer, he selects another course. A good reputation may take long to establish, but a bad reputation is speedily gained.

* * * * * *

CHEERFULNESS.—Try to be cheerful in travelling. A depressed customer and a depressing salesman will rarely do trade. This is rather hard advice, especially when the order book is blank and you have just heard of three bad debts. But you want to turn the current of fortune, not to let ill-luck overwhelm you. There is many a funny man in the play who goes on with a secret worry harrying his thoughts, but "Charley's Aunt" must not act as "Hamlet" even on that account. A traveller need not be a humorist, but he should always study to be an optimist. The hopeful spirit pays on the road.

"I like Thomson," said a grocer; "he always puts new life into me. I'm getting on all right now, but I remember one black week I had when I felt like putting up my shutters. I believe to this day that it was old Thomson, coming in at the critical moment, who put new life into me and made me determine to have another try. Thomson is as good as a tonic."

Thomson was a traveller. And a good many people who knew him could echo the phrase: "He is a tonic."

There are all kinds of ways in which a man can be cheerful. He need not necessarily be a clown. There are optimists who are as dry-as-dust, and who yet can cheer and encourage a business man by telling him something encouraging about trade.

The traveller whose information runs to the "number of failures last year," "the factories closed in Somerset since 1897," and "the reasons why the private trader must ultimately be squeezed out," is not going to do so well as the man who can always tell of *some* trade that is booming and of how some fortunes are being made.

Those biographers who write "The Life Stories of Famous Men" always give one the impression that they would have sold a long line of goods on the road. The instinct for finding the bright things in life may make a man a successful author. It is fairly certain to make him a good traveller. So be cheerful.

COMMERCIAL FRENCH

Continued from page 332

KEY TO EXERCISE IN PART 7 (p. 332).

1. We shall have to produce the bill of lading before obtaining the delivery note.
2. For some days past the weather has been behaving very badly for our vintage (*lit.* wine harvest).
3. We are having continual rain and maturity is being reached (*lit.* effected) very slowly.
4. Up to the present there is no great harm (done), but there will be much, if the rain continues. [N.B. "*En*"= of it, i.e. of harm.]
5. We have done nothing yet in plums; our prices will fall towards the end of the month.
6. The tobacco duty produced in 1904-5 a sum of 332,000,000 francs, absolutely net.
7. There are two big indirect taxes in force in France, those on alcohol and (on) tobacco.
8. Do you wish me to go to Paris?
9. The shares of this society are falling.

1. *Quoique les administrateurs fussent de son avis, les actionnaires votèrent contre lui.*
2. *Avant de commencer* (or *avant que vous commenciez*) *à faire cela, demandez au caissier si les chèques sont prêts.*
3. *Après avoir timbré et noté* (or *inscrit*) *ces lettres, vous pouvez partir.*
4. *Quand vous arriverez le matin, sortez tous les grands livres du coffre-fort.*
5. *Rappelez-vous toujours* (OR *n'oubliez jamais*) *de répondre à toutes les lettres le jour même de leur arrivée* (lit. *le jour qu'elles arrivent*).
6. *Tous les abonnements doivent être envoyés au trésorier* (or *On doit envoyer tous les abonnements au trésorier*) *et non pas à d'autres individus.*
7. *Priez Mlle. Sweet de venir ici sténographier ces lettres.*
8. *Ces chiffres ne sont pas justes* (lit. *correctement écrits*); *écrivez-les de nouveau, et faites-les vérifier.*
9. *Voulez-vous que je parte à la fin du mois?*
10. *Les actionnaires sont déjà partis.*
11. *Vous souvenez-vous si j'ai payé l'abonnement?*
12. *Je me sers des grands livres pour vérifier les chiffres du commis.*

LESSON VIII.

PERSONAL PRONOUNS.—The personal pronouns used as **nominatives** are—

je	*tu*	*il*	*elle*
I	thou	he	she
nous	*vous*	*ils*	*elles*
we	you	they (m.)	they (f.)

These are placed before the verb in affirmative and negative sentences—

je suis	I am	*je ne suis pas*	I am not
j'ai	I have	*je n'ai pas*	I have not

but in interrogative sentences the pronoun follows he verb—

sommes-nous?	are we?
n'ont-ils pas?	have they not?
avez-vous?	have you?
ne sont-elles pas?	are they not?

In the accusative and dative, that is, when used as the direct or indirect object, the pronouns become—

me	me, to me	*nous*	us, to us
te	thee, to thee	*vous*	you, to you
se	himself, herself OR themselves to himself, to herself, OR to themselves		

The pronoun in the third person differs slightly in the accusative and dative (direct and indirect) as follows—

Accusative (direct object)—

le	him OR it	*les*	them
la	her OR it		

Dative (indirect object)—

lui	to him OR to her
leur	to them

NOTE that *me, te, se, le, la* become *m', t', s', l', l'* before a verb beginning with a vowel.

When both the direct and indirect objects are used in the same sentence in French, the following order must be observed—

me le	him to me, it to me
me la	her to me, it to me
me les	them to me
te le	him to thee, it to thee
te la	her to thee, it to thee
te les	them to thee
le lui	him to him, it to him him to her, it to her
la lui	her to him, it to him her to her, it to her
les lui	them to him, them to her
nous le	him to us, it to us
nous la	her to us, it to us
nous les	them to us
vous le	him to you, it to you
vous la	her to you, it to you
vous les	them to you
le leur	him to them, it to them
la leur	her to them, it to them
les leur	them to them

It will be noticed from the above list that the English order is reversed in the 1st and 2nd persons singular and plural, and that the order is the same as in English in the 3rd person singular and plural.

The pronouns in the accusative and dative are always placed **before** the verb, except in the imperative without a negative ; but if the imperative is in the negative, the pronouns are placed before the verb—

envoyez-le leur send it to them
ne le leur envoyez pas do not send it to them

The above are known as conjunctive pronouns. The disjunctive pronouns *moi, toi, lui, elle, nous, vous, eux, elles* must be used instead of the conjunctive pronouns—

1. After Prepositions —*sans lui* without him
avec eux with them, etc.

2. After *c'est*, it is ; *c'était*, it was ; *ce sont ; c'est lui ; c'était moi ; ce sont eux.*

3. After *que*, " than "—
Le commis est plus grand que moi, lui, etc.
The clerk is taller than I, he, etc.

4. Before and after conjunctions, as, *et, ni, ou*, etc.
ni lui ni moi neither he nor I
vous et eux you and they

The following personal pronouns are **always** placed **after** the verb—

moi-même	myself	*nous-mêmes*	ourselves
toi-même	thyself	*vous-mêmes*	yourselves
lui-même	himself	*eux-mêmes* (m.)	themselves
elle-même	herself	*elles-mêmes* (f.)	themselves

IRREGULAR VERBS.

mourir to die
se mourir to be dying (like *mourir*)

Pres. Infinitive — *mourir*, to die
Pres. Participle — *mourant*, dying
Past Participle — *mort*, dead
Pres. Indicative — *je meurs, tu meurs, il meurt, nous mourons, vous mourez, ils meurent.*
Imperfect — *je mourais*, etc.
Preterite — *je mourus*, etc.
Future — *je mourrai*, etc. } Note the *rr* of these two tenses
Conditional — *je mourrais*, etc. }
Pres. Subjunc. — *que je meure, que tu meures, qu'il meure, que nous mourions que vous mouriez, qu'ils meurent*
Imperf. Subjunc.— *que je mourusse*, etc.
Imperative — *meurs, qu'il meure, mourons, mourez, qu'ils meurent*

ouvrir	to open	
couvrir	to cover	
découvrir	to uncover, discover	
entr'ouvrir	to open a little, to half-open	All conjugated like *ouvrir*
mésoffrir	to underbid	
offrir	to offer	
recouvrir	to cover again	
rouvrir	to open again	
souffrir	to suffer	

Pres. Infinitive — *ouvrir* to open
Pres. Participle — *ouvrant* opening
Past Participle — *ouvert* opened

Pres. Indicative — *j'ouvre, tu ouvres, il ouvre, nous ouvrons, vous ouvrez, ils ouvrent.*
Imperfect — *j'ouvrais*, etc.
Preterite — *j'ouvris*, etc.
Future — *j'ouvrirai*, etc.
Conditional — *j'ouvrirais*, etc.
Pres. Subjunc. — *que j'ouvre*, etc.
Imperf. Subjunc.— *que j'ouvrisse*, etc.
Imperative — *ouvre, qu'il ouvre, ouvrons, ouvrez, qu'ils ouvrent.*

vêtir	to dress, clothe	
dévêtir	to undress	Conjugated like *vêtir*
se dévêtir	to divest one's self	
revêtir	to clothe, dress	
se vêtir	to clothe one's self	

Pres. Infinitive — *vêtir* to dress, clothe
Pres. Participle — *vêtant* dressing
Past Participle — *vêtu* dressed, clothed
Pres. Indicative — *je vêts, tu vêts, il vêt, nous vêtons, vous vêtez, ils vêtent.*
Imperfect — *je vêtais*, etc.
Preterite — *je vêtis*, etc.
Future — *je vêtirai*, etc.
Conditional — *je vêtirais*, etc.
Pres. Subjunc. — *que je vête*, etc.
Imperf. Subjunc.— *que je vêtisse*, etc.
Imperative — *vêts, qu'il vête, vêtons, vêtez, qu 'ils vêtent.*

tenir	to hold	
s'abstenir	to abstain	
appartenir	to belong to	
circonvenir	to circumvent	
contenir	to contain	
se contenir	to refrain	
contrevenir	to contravene, infringe	
convenir	to agree, to suit	
déprévenir	to divest of prejudice	
détenir	to detain	
devenir	to become	
disconvenir	to deny	
entretenir	to entertain, keep up	
s'entretenir	to discourse with	Conjugated
intervenir	to intervene, interfere	
maintenir	to maintain	like
obtenir	to obtain	
parvenir	to reach, arrive	*tenir.*
prévenir	to warn, forewarn	
provenir	to proceed from	
redevenir	to become again	
retenir	to retain	
se retenir	to forbear	
revenir	to return, come back	
se ressouvenir	to recollect	
se souvenir	to remember	
soutenir	to sustain, maintain	
subvenir	to provide for	
survenir	to befall, come unexpectedly	
venir	to come	

Pres. Infinitive — *tenir* to hold
Pres. Participle— *tenant* holding
Past Participle — *tenu* held

Pres. Indicative— *je tiens, tu tiens, il tient / nous tenons, vous tenez, / ils tiennent.*
Imperfect — *je tenais*, etc.
Preterite — *je tins, tu tins, il tint, / nous tînmes, vous tîntes, / ils tinrent.*
Future — *je tiendrai*, etc.
Conditional — *je tiendrais*, etc.
Pres. Subjunc. — *que je tienne, que tu tiennes, / qu'il tienne, que nous tenions, / que vous teniez, qu'ils tiennent.*
Imper. Subjunc.— *que je tinsse, que tu tinsses, / qu'il tînt, que nous tinssions, / que vous tinssiez, qu'ils tinssent.*
Imperative — *tiens, qu'il tienne, / tenons, tenez, qu'ils tiennent*

asseoir to set down
s'asseoir to sit down
rasseoir to set down again
se rasseoir to sit down again
} Conjugated like *asseoir*

Pres. Infinitive — *asseoir* to set down
Pres. Participle — *asseyant* setting down
Past Participle — *assis* set down

Pres. Indicative — *j'assieds, tu assieds, il assied, / nous asseyons, vous asseyez, / ils asseyent.*
Imperfect — *j'asseyais*, etc.
Preterite — *j'assis*, etc.
Future — *j'assiérai*, etc.
Conditional — *j'assiérais*, etc.
Pres. Subjunc. — *que j'asseye*, etc.
Imperf. Subjunc.— *que j'assisse*, etc.
Imperative — *assieds, qu'il asseye. / asseyons, asseyez, qu'ils asseyent*

Vocabulary.

les trains	the trains
sillonner	to furrow, to cross
les steppes glacées	the frozen steppes
la Russie	Russia
traverser	to cross
le bazar	the bazaar
peut-être	perhaps
l'endroit	the place
les citoyens	the citizens
se promener	to walk about
la boutique	the shop
s'informer	to make inquiries
les pommes	the apples
les oignons	the onions
la cherté	the dearness
les vivres	food, provisions, victuals
peser	to weigh
durement	harshly, hardly
la petite bourgeoisie	the lower middle-class
peu d'avances	little money ; small savings
dans leur secrétaire	saved ; saved up ; put by
vivre	to live
au jour le jour	from hand to mouth
tortueux	winding, tortuous
arroser	to water
riante	smiling
pilons	stampers
le prix de revient	the cost price
diminuer	to diminish, lessen
se relever	to recover, rise again
la clôture	the close
la tendance	the tendency
sucre raffiné	refined sugar
la récolte	the harvest

Traduisez en anglais.

1. *Des trains sillonnent aujourd'hui les steppes glacées de la Russie et bientôt traverseront l'Afrique.*
2. *Le bazar est peut-être l'endroit le plus fréquenté de la ville.*
3. *Les citoyens se promènent de boutique en boutique s'informant du cours des pommes, des oignons etc.*
4. *L'extrême cherté des vivres pèse le plus durement sur la petite bourgeoisie.*
5. *Ils n'ont jamais que peu d'avances dans leur secrétaire et vivent au jour le jour*
6. *Le long et tortueux courant de la rivière d'Oust arrose une riante vallée.*
7. *Le nombre de pilons a été augmenté et le prix de revient a diminué.*
8. *Les prix se sont un peu relevés vers la clôture et la tendance est à la hausse.*
9. *L'exportation du sucre raffiné durant le mois dernier a beaucoup augmenté.*
10. *Le déficit de la dernière récolte a été de plus de vingt millions d'hectolitres.*

Translate into French.

1. The mortgage on my house will be redeemed a fortnight hence.
2. We would sooner give it to you than sell it at such a price.
3. They are not responsible for the delay ; we cannot ask them for an allowance.
4. All the money due to our creditors will be paid this week.
5. We hope you will reply by return post to this very important letter.
6. What is your opinion of this firm ? We should like some information about it.
7. We have made inquiries about them and find them very trustworthy.
8. You may give them credit up to £5,000 without the slightest fear.
9. The clerk should have replied to the letters yesterday, but he omitted to do so.
10. The freight you ask is much higher than we wish to pay.

COMMERCIAL GERMAN

Continued from page 335

Key to Exercises in Part 7 (p. 335).

Do you know what a spinning-mill is ? Yes, I know (*or* yes, I do). When I was in England, I visited many a spinning-mill. The spinners *or* factory hands (men and women) go to the spinning-mill in the morning. In England a great deal of cotton, wool and silk is spun. (Note the Active instead of the Passive Voice in the German rendering.) We will go into a silk factory (*lit.* a silk spinning-mill). Where is the silk factory ? It is in Macclesfield. Is Oldham far from Manchester ? No, it is near Manchester. Only cotton is spun in Oldham. Can you spin such (a) yarn ? No, unfortunately we cannot spin such (a) yarn. He informs us that he cannot spin such (a) yarn. When we spun the yarn finely. Who spun this yarn ? If he spun the yarn finely, it would be dear. If yarn is spun finely, it is dear. Are you taking this spindle to that spinning-mill ? What is a spider ? A spider is an insect. The spinning trade is dull at present. Did you win anything at it ? No, I won nothing at it. Who will win ? I think your friend will win. Has his friend won some money ? If he wins, he is happy. If he had won, he would have bought that house. I think one wins, when one does not play for money. We never play for money. When will (*lit.* do) you begin this letter ?

Was ist eine Erfindung ? Was ist ein Erfinder ? Kennen Sie diese Erfindung ? Welche Erfindung kennen Sie ? Welchen Erfinder werden Sie fragen ? Wer erfand diese Maschine or *wer hat diese Maschine erfunden ? Ein Amerikaner erfand diese Maschine,* or *hat diese Maschine erfunden. Ich glaube, dass ein Amerikaner sie erfunden hat. Jenes* (or *das*) *Wasser ist nicht trinkbar. Welches Wasser ist trinkbar ? Dieses Wasser ist trinkbar. Der Trinker nimmt das Glas in die Hand. Ich werde den Trinker fragen. Ich werde morgen Wolle kaufen. Werden* (or *sollen*) *wir Baumwolle und Seide kaufen? Werden Sie eine Spinnerei besuchen ? Ich glaube, dass wir eine Spinnerei besuchen werden. Der Kaufmann kaufte eine Spinnerei. Sehen Sie jene Arbeiter ? Ja, ich sehe sie. Sie* (or *es*) *sind Spinner. Sie gehen in jenes Gebäude. Sie werden Garn spinnen. Wann werden Sie anfangen* (or *beginnen*) *? Sie werden sofort anfangen* (or *beginnen*). *Können Sie singen ? Nein, ich kann nicht singen* or *ich singe nicht. Singen die Arbeiter, wenn sie arbeiten ? Ich glaube nicht, dass sie bei der Arbeit singen* or lit. *dass sie singen, während sie arbeiten. Er sang ein Lied, als ich in das Zimmer trat. Wer sang dieses Lied ? Sehen Sie diese Falten ? Ja, ich sehe sie. Die Falten werden mit der Zeit verschwinden. Die Falten verschwinden. Die Falten würden verschwinden. Die Flecken verschwinden nicht. Wir teilen Ihnen mit, dass die Flecken nicht verschwinden. Was haben sie getrunken* or *was tranken sie ? Sie haben Wasser und Milch getrunken* or *sie tranken Wasser und Milch. Ich werde sie zwingen es zu tun. Ist das Tuch schön ? Ja, es ist sehr schön.*

LESSON VIII.

The Present Participle of a verb in German is formed simply by adding an additional *d* to the Infinitive : *haben,* to have ; *habend,* having ; *rauchen,* to smoke, *rauchend,* smoking ; *gehen,* to go, *gehend,* going. The German Present Participle is, however, used only as an attributive adjective or as an adverbial expression. If an Adjective is placed between Article and noun in the Singular Nominative, it takes an additional *e*. *Der Brief ist lang ; Der lange Brief. Die Stadt ist schön ; Die schöne Stadt.*

Infinitive.		Present Participle.	
singen	to sing	*singend*	singing
arbeiten	to work	*arbeitend*	working
lachen	to laugh	*lachend*	laughing
stehen	to stand	*stehend*	standing

(*a*) The Present Participle is used as an attributive adjective, and must often be translated into English by a relative clause, and especially when it is preceded by a noun or an adverbial expression.

Der singende Arbeiter
The workman, who is singing.
Der stehende Spinner nimmt die Spindel
The spinner who is standing takes the spindle.
Der den Brief abschreibende Kaufmann
The merchant who is copying the letter.
Die in den Garten gehende Dame
The lady who is going into the garden.

(*b*) The Present Participle is used as an adverbial expression—

Gehend sagte er
Going, he said.
Lachend kam er in den Garten
Laughing, he came into the garden.
Er sang das Lied stehend
He sang the song, standing.
Er schrieb den Brief sitzend
He wrote the letter, sitting.

The English Present Participle is often used as a Noun—

Travelling is necessary. Reading is good.

When the English Present Participle expresses a noun, it must be rendered into German by the Infinitive with the Definite Article *das*.

Travelling is necessary
Das Reisen ist notwendig.

Reading is good
Das Lesen ist gut.
Selling is not always easy
Das Verkaufen ist nicht immer leicht.
Much speaking is fatiguing
Das viele Sprechen ist ermüdend.

Form the Present Participle and the neuter noun from the following Infinitives—

aufmachen	to open	*schreiben*	to write
nehmen	to take	*lesen*	to read
senden	to send	*legen*	to place
bringen	to bring	*fragen*	to ask
sagen	to say	*abschreiben*	to copy
wohnen	to dwell	*färben*	to colour, to dye

After the preposition "without," the English Present Participle must be translated into German by the Infinitive with *zu* [i.e. if the subject of the sentence is also the doer of the action denoted by the Pres. Participle; otherwise a finite verb ntroduced by "*ohne dass*" must be used].

Man kann nicht in den Korridor gehen, ohne die Tür aufzumachen
We cannot go into the corridor without opening the door.

Ich gehe aus dem Laden, ohne das Bild zu kaufen
I go out of the shop without buying the picture.

Ohne die Fäden zu zählen, weiss ich nicht, ob das Tuch billig ist
I do not know whether the cloth is cheap without counting the threads.

Er kaufte den Stahl, ohne ihn zu prüfen
He bought the steel without testing it.

The Past Participle is used as an adjective in the same manner as the Present Participle, that is, if the Past Participle is placed after the Definite Article in the Nominative Singular, it takes an additional *e*; for instance: *gekauft*, bought; *der gekaufte Hut* (the bought hat); and is generally to be rendered into English by using a relative sentence: *der gekaufte Hut*, the hat, which has been bought; *gesandt*, sent; *die gesandte Ware*, the goods which have been sent. *Der bezahlte Betrag*, The amount, which has been paid.

If the foregoing relative sentence is followed by a noun or adverbial expressions, both must be placed before the Past Participle.

"The amount which was paid by us yesterday" is to be translated [the yesterday by us paid amount] *Der gestern von uns bezahlte Betrag.*

"The goods which have been sent to you" [The to you sent goods] *Die an Sie gesandte Ware.*

The English Preposition "by," when used with the Passive Voice, must be translated into German by *von*. *Von* is always followed by the Dative.

Learn the following Dative Pronouns—

von mir	by me	*von uns*	by us
von ihm	by him / by it		
von ihr	by her	*von Ihnen*	by you
		von ihnen	by them

Form the Past Participle of the verbs on the next page, and use them as Adjectives in the sentences.

As previously mentioned, the object and adverbial expressions must precede the Past Participle, when it is used as an adjective, e.g.—
The hat, which has been dyed by us
Der von uns gefärbte Hut.

VOCABULARY.

der Zug	the train
die Sonne	the sun
der Maschinenschreiber	the typist
die Schreibmaschine	the typewriter
der Laufbursche	the errand boy
der Tisch	the table
das Wörterbuch	the dictionary
der Dieb	the thief
ich	I
er	he
sie *ging*	she went
es	it
die Staatspapiere	consols
die Färberei	the dye-works
die Farbe	the colour
der Färber	the dyer
das Zweiggeschäft	the branch business
abfahren (separable verb)	to leave, to start
untergehen (separable verb)	to set
kosten	to cost
heissen	to be called
ich heisse	I am called
Wie heisst er?	What is he called? / What is his name?
pfeifen	to whistle
messen	to measure
berühren	to touch
aufstehen (separable verb)	to stand up, to rise
grüssen	to salute
erhalten	to receive
übersetzen	to translate
berechnen	to calculate, to invoice
neu	new
alt	old
gewöhnlich	usually
wirklich	really
steigen	to rise
fallen	to fall
färben	to dye
arbeiten	to work
die Arbeit	the work
der Arbeiter	the workman
die Arbeiterin	the workwoman

Infinitive.		Past Participle.	
färben	to dye	dyed.	The hat, which has been dyed.
spinnen [irreg.]	to spin	spun.	The yarn, which has been spun.
eröffnen	to open	opened.	The house, which has been opened.
errichten	to establish	established.	The firm, which has been established.
gründen	to establish, to found	established, founded.	The branch, which has been established.
senden [reg. & irreg.]	to send	sent.	The goods, which have been sent.
schreiben [irreg.]	to write	written.	The letter, which has been written.
bezahlen	to pay	paid.	The amount, which has been paid.
bestellen	to order	ordered.	The cloth, which has been ordered.

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spinnen	to spin, to twist
der Spinner	the spinner (masc.)
die Spinnerin	the spinner (fem.)
die Spinnerei	the spinning factory
die Spindel	the spindle
die Spinne	the spider
spinnbar	textile
das Spinngeschäft	the spinning trade
gewinnen	to gain, to win
der Gewinn	the gain, the profit
der Gewinner	the winner, the gainer
gewinnbringend	profitable
beginnen	to begin
der Beginn	the beginning
binden	to bind, to tie
der Binder *die Binderin*	the binder
der Artikel	the article
die Kiste	the box
vor zwei Tagen	two days ago
vor zwei Wochen	two weeks ago
vor zwei Monaten	two months ago
vor zwei Jahren	two years ago
beschädigen	to damage
ausstellen	to draw up
verpacken	to pack
berechnen	to charge

Translate into German.

The goods, which have been sent. The article which was sent by us. The box which was sent by us three weeks ago. The yarn which was spun by you. The yarn which was dyed by you. The cloth which was dyed by you three days ago. The cloth which has been ordered by you. The cloth which was ordered by us two weeks ago. The goods which have been packed. The goods, which were packed by us two days ago. The goods which have been sent to [*an* with Accusative] you. The agreement which has been drawn up by us. The expenses which have been invoiced [charged] by you. The goods which have been damaged. The amount, which was paid by us two years ago. The price, which is rising. The branch, which was opened by us two years ago. The firm which was established ten years ago. The dyeing works [Singular] which were opened two years ago. The dye which was ordered by us a fortnight ago. We are not able to send you the goods you ordered two days ago. [Translate: We cannot send you the by you two days ago ordered goods.] The letter, which has been copied by us. The invoice which has been sent by you.

Translate into English.

Die grosse Stadt ist schön. Wann werden Sie die schöne Stadt besuchen? Der lange Zug fährt ab. Wo ist der abfahrende Zug? Sehen Sie die untergehende Sonne? Ich sehe sie. Der über die Strasse gehende Maschinenschreiber trägt das Paket auf die Post. Der stehende Stuhl ist neu. Der liegende Stuhl ist alt. Der schlafende Hund ist sehr müde. Die brennende Lampe kostet 5 Mark. Der schreibende Maschinenschreiber heisst Müller. Der die Faktura schreibende Maschinenschreiber heisst Müller. Wie heisst der in das Zimmer kommende Reisende? Der in den Laden gehende Laufbursche. Wie heisst das singende Mädchen? Wie heisst die das Lied singende Dame? Lachend sagt er, dass die Ware sehr billig ist. Rauchend kam er in den Garten. Singend geht er in das Zimmer. Pfeifend geht der Laufbursche über die Brücke. Ich arbeite gewöhnlich stehend. Ohne das Metall zu sehen, kann ich Ihnen [you] *sagen, dass es zu teuer ist. Ich kann Ihnen nicht sagen, wie lang der Tisch ist, ohne ihn zu messen. Ich kann das Bild nicht berühren ohne aufzustehen. Ist der Preis hoch? Ohne ihn zu fragen, kann ich es Ihnen wirklich nicht sagen. Ohne die Firma zu kennen, kann ich Ihnen sagen, dass sie gute Ware verkauft. Nach neun Uhr ist das Aufmachen der Türen verboten. Das viele Fragen ermüdet sowohl den Gefragten wie auch den Fragenden* (or *Frager*). *Das Abschreiben der Aufträge dauert sehr lange. Er ging fort, ohne den Brief zu beantworten.*

COMMERCIAL SPANISH

Continued from page 338

KEY TO EXERCISES IN PART 7 (p. 338).

1. I am much afraid that my friend has not understood me. 2. I insist on your doing what I wish. 3. They who have kept the goods are friends of the banker. 4. We shall thank you to send us samples of this article and price lists. 5. We wish you to send us some pounds of coffee by return of post. 6. We are surprised that you have not sent us the balance. 7. Who has posted the German merchant's letters? 8. What a pity that they have not sent us the blankets! 9. I want the brand to be very good. 10. I am sorry that you do not understand what I tell you. 11. The fault is the maker's, and he must cancel the order. 12. We cannot prevent him from writing to us. 13. This quality is not so good as the previous one; I recommend you to devote yourselves to my new order. 14. Why do you ask so high a price for this? 15. The thread has been made up in balls, and we hope that everything will arrive safely. 16. Which are the brands you prefer? 17. I do not know whether they have posted the letter or not. 18. We are looking for a better kind than the last one, and by the next post we will write to you again. 19. The behaviour of this man leaves much to be desired; write to him to return to my house at once. 20. The market has risen suddenly, and we have to pay very high prices.

1. *No puedo impedir que su amigo sepa que Vd. está aquí.* 2. *¿ Por qué no nos pidió Vd. antes una cotización?* 3. *Me pidieron que les enviase los géneros.* 4. *No olvide Vd. pedirle que nos lo mande en seguida.* 5. *Cuiden Vds. de que esto no suceda otra vez.* 6. *Queremos que Vd. embarque ahora estos géneros.* 7. *Procuramos mucho colocar este renglón.* 8. *Sírvase tener éstos á nuestra disposición.* 9. *Insistimos en que este artículo sea igual á la muestra.* 10. *Hemos omitido del surtido tres muestras.* 11. *Pídale que nos remita tres piezas por vía de ensayo.* 12. *Aceptamos estos géneros tal cual están.* 13. *Por lo general esto tendría buena salida en este mercado.* 14. *Ha dejado la mercancía por nuestra cuenta.* 15. *Tenemos mucho interés en que Vd. esté contento con la calidad de este artículo.* 16. *Me pidió que le sometiese la mejor muestra que tenía.* 17. *Esperamos que Vd. nos enviará sus pedidos, pues podemos ejecutarlos tan bien como cualquiera.* 18. *No importa, pues deseo verle acerca de esta firma.* 19. *Esperamos producir muchas calidades nuevas el año próximo; el año pasado no produjimos muchas.* 20. *Diga Vd. á su amigo que pague al contado.* 21. *Temo que el que ha enviado esta carta no sea amigo.* 22. *Tenemos el gusto de participarle que con esta fecha, ha entrado á formar parte de nuestra sociedad, con el carácter de gerente, el que fué industrial de la misma, Sr. Cayetano Puigdengolas, de cuya firma estampada al pie, rogamos á Vd. se digne tomar buena nota.*

LESSON VIII.

POSSESSIVE PRONOUNS. — These are as follows—

SINGULAR.	PLURAL.	
mi	*mis*	my
tu	*tus*	thy
su	*sus*	his, her, its, your, their
nuestro	*nuestros*	our
vuestro	*vuestros*	your

The last two are the only ones which show the gender of the noun, and change to *nuestra, nuestras, vuestra, vuestras,* when a feminine noun follows.

"Su." This pronoun is used for "his," "her," "its," "your," "their"; and in case of ambiguity it should be given thus—

su libro de él, his book;
su libro de Vd, your book;
su libro de ella, her book;
su libro de ellos, their book.

NOTE. It is not necessary to repeat the possessive pronoun when used before two nouns, as—

Sus padres y hermanos, his parents and brothers.

Besides the forms already given—*mi, tu, su,* etc.—there are further forms which either follow the noun or are used alone. These are—

mío, mine	*nuestro,* ours
tuyo, thine	*vuestro,* yours
suyo, his, hers, yours	*suyo,* theirs

These forms are variable, and change the *o* into *a* for a feminine noun and add *s* for the plural. They are also more emphatic than the other forms—*mi, tu,* etc.—and are used when addressing a person direct. Examples—

Mi amigo ha venido, my friend has come.
Amigo mío. ¿ Qué tiene Vd?
My friend, what is the matter?

These latter forms are also used with the definite article, when no noun follows the possessive pronoun, as—

Ésta es mi pluma, y ésa es la suya (OR *la de Vd*).
This is my pen, and that is yours.
Su casa es mayor que la mía.
His house is larger than mine.

The English forms "of mine," "of his," "of hers," etc., are rendered by *mío, suyo,* etc., thus—

He is a friend of mine, *es amigo mío.*
They are relations of his, *son parientes suyos.*

To avoid ambiguity in the 3rd Person, the word *de él, de usted, de ella,* etc., may be used, as—
Mis amigos y los suyos de él (OR *de ella*).
My friends and his (OR hers).

VERBS.—The Spanish verb *deber* corresponds to the English "must" OR "ought," "should," etc., and is, in Spanish, a Regular verb, conjugated thus—

(This verb also means "to owe.")

Pres. Indicative : *Debo,* I must, I am to ; *debes, debe,* etc.
Imperfect : *Debía,* I should (OR ought to), etc.
Past Definite : *Debí,* I should (OR ought to), etc.
Future : *Deberé,* I shall have to, etc.
Conditional : *Debería,* I should (OR ought to)

The Spanish verb *poder* ("to be able") signifies possibility (i.e. "can," "may," OR "might"). *Poder* is an Irregular verb, and is conjugated as follows—

Pres. Indicative : *Puedo,* I can OR may, *puedes, puede ; podemos, podéis, pueden.*
Imperfect : *Podía,* I could OR was able to, *podías,* etc.
Past Definite : *Pude,* I could OR was able to, *pudiste, pudo, pudimos, pudisteis, pudieron.*
Future : *Podré,* I shall be able, *podrás, podrá,* etc.
Conditional : *Podría,* I should be able, OR I might, etc.
Pres. Participle : *Pudiendo.*

The verb "will" is rendered in Spanish by *querer,* when it is not used merely as a part of the Future Tense, but rather to show that the subject is willing. *Querer* is conjugated as follows—

Pres. Indicative : *Quiero,* I will (OR want), *quieres, quiere, queremos, queréis, quieren.*
Imperfect : *Quería,* etc.
Past Definite : *Quise, quisiste, quiso, quisimos, quisisteis, quisieron.*
Future : *Querré, querrás,* etc.
Conditional : *Querría, querrías,* etc.

Examples—

I will not go, *no quiero ir.*
You will take this train, *Vd. tomará este tren.*

SUBJUNCTIVE MOOD.—Besides the Present Subjunctive, which was treated in the previous Lesson, there are three other tenses, viz.—

Imperfect, Future, and **Conditional Subjunctive.** These are all formed from the Past Definite ; and by taking the 3rd Person Plural of the Past Definite of all Spanish verbs—Regular or Irregular—the three tenses of the Subjunctive already mentioned may be formed thus—

Suppress the *ron* and substitute *se,* which gives the 1st Person Singular of the Imperfect Subjunctive, as : *amaron ;* change to *amase.*

By changing the *s* into *r,* we get the 1st Person Singular of the Future Subjunctive, as : *amase ;* change to *amare.*

By changing the final *e* into *a,* the Conditional Subjunctive 1st Person Singular is obtained, as : *amare ;* change to *amara.*

When once the 1st Person of any Subjunctive tense is known, the others are easily ascertained, because all Spanish verbs have the following terminations in all tenses of the Subjunctive added to the 1st Person Singular—

S for the 2nd Person Singular ; *IS* for the 2nd Person Plural ; *MOS* for the 1st Person Plural ; *N* for the 3rd Person Plural.

The 1st and 3rd Persons of the Singular are the same for all tenses of the Subjunctive.

EXAMPLES. Past Definite of *querer : quise, quisiste, quiso, quisimos, quisisteis, quisieron.*

IMPERFECT SUBJUNCTIVE.

Quisiese (from *quisieron,* suppressing the *ron* and substituting *se*), *quisieses, quisiese, quisiésemos, quisieseis, quisiesen.*

FUTURE SUBJUNCTIVE.

Quisiere, quisieres, quisiere, quisiéremos, quisiereis, quisieren.

CONDITIONAL SUBJUNCTIVE.

Quisiera, quisieras, quisiera, quisiéramos, quisierais, quisieran.

The **Subjunctive** is used after the following Conjunctions—

á menos que, unless
dado caso (OR *en caso*) *que,* in case
de miedo que, lest
con tal que, provided that
comoquiera, however
para que, in order that
á fin (*de*) *que,* in order that
por más que, however
sea que, whether
sin que, without

After the following Conjunctions, the **Subjunctive** is generally used, when the action referred to has not actually occurred at the time of speaking or writing—

así que (meaning "in order that")
antes que, before
á no ser que, unless

aunque, although
cuando, when
después que, after
de modo que, in order that, so that
hasta que, until
luego que, as soon as
una vez que, as soon as
mientras, until
no obstante que, notwithstanding that
puesto (OR *supuesto*) *que*, supposing that
siempre que, whenever, provided that
tan luego como, as soon as

VOCABULARY.

the attention, *la atención*
the balance, *el saldo*
black, *negro*
the crop, *la cosecha*
the cost, *el coste*
the beginning, *el principio*
the costume, *el traje*
the custom, *la costumbre*
the dispute, *la disputa*
the canvas, *la lona*
carefully, *cuidadosamente*
as a rule, *por lo general*
the discount, *el descuento*
the execution, *la ejecución*
the expense, *los gastos*
herewith, *adjunto*
the fork, *el tenedor*
the grey cloth, *la tela cruda*
however, *sin embargo*
the knife, *el cuchillo*
in question, *de que se trata*
the pin, *el alfiler*
private, *particular*
the plate, *el plato*
the needle, *la aguja*
really, *de veras*
second-hand, *de lance*
the sheet, *la sábana*
the spoon, *la cuchara*
the trouble, *la molestia*
usual, *de costumbre*
the shirt, *la camisa*
owing to, *á causa de*
the wood, *la madera*
the report, *el informe*
useful, *útil*
to allow, *abonar*
to be surprised, *extrañar*
to insure, *asegurar*
to deserve, *merecer*
to keep, *conservar*
to manage (to), *lograr*
to mean, *querer decir*
to press forward, *activar*
to show, *enseñar*
to trouble, *molestar*
to settle, *subsanar*
to venture, *atreverse*
to owe, *deber*
to wreck, *naufragar*
to be without, *carecer de*

EXERCISE 15.

1. *No puedo mandarle la caja de seda, á menos que Vd. me pague en seguida.* 2. *Á causa de la gran subida en el precio del algodón, no pude colocar su pedido á menos de* 2½*d.* 3. *Quiero que Vd. me envíe una docena de camisas á vuelta de correo.* 4. *Deben Vds asegurar esta remesa en* (for) £200. 5. *Siempre que me obtengan las mayores ventajas* (advantages), *les autorizo para poner en ejecución este pedido.* 6. *No obstante la demora que ha habido en el embarque, aceptaremos los géneros.* 7. *He comprado de lance una buena partida de ropa.* 8. *Extraño que Vd. aun no haya embarcado los trajes.* 9. *Activen Vds lo más posible la entrega, así que llegue la mercancía á* (in) *tiempo para la feria de Noviembre.* 10. *No quiere que Vd. le abone nada.* 11. *Remítame Vd. el saldo de la cuenta, de modo que no me falte el dinero.* 12. *Dado caso que lo compre, yo tomaré la mitad.* 13. *Le enseñaré el informe, con tal que Vd. lo desee.* 14. *Los tenedores y los cuchillos se han embarcado ya por un vapor muy velero* (fast). 15. *Su estimado pedido ha merecido* (received) *nuestra mejor atención.* 16. *Esta oferta es de veras muy baja, pero la aceptamos, para que Vd. no carezca del artículo.* 17. *Prefiero mis géneros á los suyos, pues son mucho más bonitos.*

EXERCISE 16.

1. I want you to send me these samples by return of post. 2. Unless you can obtain the qualities at low prices, we do not care (*querer*) to place them. 3. We are surprised that you could not settle this business without loss. 4. I asked him to press forward (with) the delivery of these goods, but I am afraid (*temer*) he has not yet executed them. 5. Before we ship the goods to other houses, we hope to be able to ship yours. 6. In case you receive word (*noticias*) from my customer, insure the goods without delay. 7. Your canvas is better than mine, but mine is stronger. 8. I did not send them to a friend of yours, but to a friend of my brother. 9. As a rule, we see (*cuidar*) that these goods are packed carefully. 10. We regret the trouble which you have had with this line (*artículo*). 11. I shall not give it to you until I hear (*recibir noticias*) from your father. 12. He was surprised that you had not renewed the shipments yet. 13. As soon as I got your note (*esquela*), I went (*fuí*) to see my customer. 14. We venture to hope, however, that you will receive it before I return. 15. I wish you to return (*devolver*) me the grey cloth and the shirts, so that I can allow you the discount. 16. What do you mean? 17. I wished them to send us the documents as soon as they received them. 18. I could not keep the sheets any longer, so (that) I have sold them to the German buyer. 19. The cost of the wood at the beginning of the year was higher than it is now. 20. You should have told me this before.

ELEMENTARY ITALIAN

Continued from page 339

KEY TO EXERCISE IN PART 7 (p. 339).

1. We sell all (the) goods at moderate prices. 2. The correspondent has written a letter to the customer. 3. These terms are less advantageous than those. 4. I have bought twelve stamps at the Post Office. 5. What is the time? It is half-past five. 6. The clerk is more tired than the principal. 7. We have received excellent news from our (commercial) traveller. 8. Wine is less necessary than water. 9. All wish to buy at minimum prices and desire to sell at maximum prices. 10. This news is worse than that.

LESSON VIII.

THE IMPERFECT TENSE ("IMPERFETTO").—The Imperfect (*or* Past) Indicative is formed by adding the endings *vo, vi, va, vamo, vate, vano,* **preceded by the characteristic vowel of the Infinitive** to the root of the verb.

Compr|are.	**Vend|ere.**	**Serv|ire.**
(*io*) *compravo*	*vendevo*	*servivo*
(I bought OR was buying)	(I sold OR was selling)	(I served OR was serving)
(*tu*) *compravi*	*vendevi*	*servivi*
(*egli*) *comprava*	*vendeva*	*serviva*
(*noi*) *compravamo*	*vendevamo*	*servivamo*
(*voi*) *compravate*	*vendevate*	*servivate*
(*eglino, essi*) *compravano*	*vendevano*	*servivano*

N.B.—The first person singular frequently has the same ending as the third person, e.g. *io comprava, vendeva, serviva.* The accent is on the penultimate syllable except in the third person plural, where it falls on the distinguishing vowel, *comprávano, vendévano, servívano.* This tense is used to indicate past action of some duration: it is also, as shown, the equivalent of our *progressive past tense,* e.g. *egli mi ascoltava,* he was listening to me *or* he used to listen to me.

The Past Definite ("Passato Remoto").

For the purpose of expressing a past action without reference to duration the Past Definite (*passato remoto*) is used. It will be seen that the endings are practically the same in all the Conjugations except for the distinguishing vowel.

Note however the 3rd person singular of the 1st conjugation.

(*io*) *comprai* (I bought)	*vendei* (I sold)	*servii* (I served)
(*tu*) *comprasti*	*vendesti*	*servisti*
(*egli*) *comprò*	*vendè*	*servì*
(*noi*) *comprammo*	*vendemmo*	*servimmo*
(*voi*) *compraste*	*vendeste*	*serviste*
(*eglino, essi*) *comprarono*	*venderono*	*servirono*

The Past Definite of *avere* and *essere* is irregular.

ebbi, I had	*avemmo*	*fui,* I was	*fummo*
avesti	*aveste*	*fosti*	*foste*
ebbe	*ebbero*	*fu*	*furono*

As in English, an action that has taken place very recently, is rendered by the Past Indefinite, that is, the Present Indicative of the auxiliary accompanied by the Past Participle of the principal verb, e.g. *stamane ho letto un libro,* I (have) read a book this morning. The use of this tense is somewhat more common than in English, as the period of time to which the action refers may be completely past, provided it is fairly recent. Thus, in the example given above, we should only use the form "have read" while the morning lasts, and if referring to the action later in the day—for example, in the evening—we should omit the auxiliary and use the simple Past; whereas in Italian the form with the auxiliary would be employed in both cases.

When the Past Indefinite in English stands for an action *which is still going on,* the simple Present must be used in Italian. It is very important to notice this, as it greatly facilitates translation.

EXAMPLES.

Il tempo è bello da qualche giorno.
The weather has been fine for some days.

Sto (OR *dimoro*) *in questa casa da due anni.*
I have lived in this house for two years.

Imparo l'italiano da quasi tre mesi, cioè dal 25 settembre.
I have been learning Italian for nearly three months, that is, since September 25th.

In the last example the verb *stare* may be used, e.g. *Sto imparando l'italiano,* etc. When the verb "to be" indicates a transitory state *stare* is often used instead of *essere,* e.g. *Dove sta di casa?* Where do you live? *Come sta?* How are you? *Non sto bene,* I am not well. This verb is also employed in some parts of Italy to translate our progressive tense (as shown above), e.g. (*io*) *sto leggendo,* I am reading; (*egli*) *sta scrivendo,* he is writing; (*noi*) *stiamo aspettando,* we are waiting; (*essi*) *stanno parlando,* they are talking.

The Imperfect Tense of *stare* is conjugated like that of *comprare,* e.g. *stava* or *stavo,* I was, etc.

N.B.—The Past Participle *stato* (been) has already been given, as it also serves as the Past Participle of *essere.*

EXERCISE.

Construct twelve sentences introducing various parts of the above verbs in their interrogative and negative forms, e.g. *non comprai questi articoli in Maggio;* I did not buy these articles in May.

RAILWAY LAW AND PRACTICE

Continued from page 340

LESSON VIII.

MISCELLANEOUS POINTS RE GOODS.—A few points remain to be considered arising out of recent legislation. Reference has been made to *exceptional* rates arranged by railway companies with their clients, and to the power given to continue such rates even in face of the standard charges ultimately to be fixed. Traders in enjoyment of such lower charges have adequate protection under the Railway Act provided good cause is shown to the Rates Tribunal. With regard to varieties in rates quoted, the student should note that under the new rates to be laid down " (c) and (d) rates " are absent, as the schedules mentioned in the previous lesson do not include collection and delivery, which, when performed by the company, will be subject to a separate charge. A rate book of collection and delivery charges is to be kept at each station.

COMPANY'S AND OWNER'S RISK.—Questions relating to company's and owner's risk contracts are likely to be simplified by the provision of the new Act, which requires that the various amalgamated companies shall publish—

(*a*) The terms and conditions (Company's Risk Conditions) on which merchandise other than livestock, and livestock, will respectively be carried at ordinary rates;

(*b*) The terms and conditions (Owner's Risk Conditions) on which merchandise, other than livestock, and livestock, will be carried if carried at owner's risk rates;

(*c*) The terms and conditions on which damageable goods not properly protected by packing will be carried.

These terms are required to be published in the *Gazette* after consideration by the Rates Tribunal, and if thought just and reasonable, a date will be fixed after which they come into force. Once published in the *Gazette* they are deemed to be just and reasonable, and are incorporated into appropriate contracts of carriage. In the case of an Owner's Risk contract the request of the consignor *in writing* to the railway company to carry at owner's risk will be sufficient to imply all the owner's risk conditions in the contract of carriage.

PERISHABLE GOODS.—The Railway Act continues the provision of the Railway Rates and Charges Act governing the carriage of perishable goods by passenger or other similar service. The obligation placed on the railway company does not require that such goods be carried by any particular train, but that facilities of a reasonable kind shall be provided for the expeditious conveyance by passenger or similar service of milk, dairy produce, certain kinds of fish, fruit and ice. A railway company generally provides for the carriage of other goods by passenger train, but it is under no obligation to do so.

PASSENGER'S LUGGAGE.—At present the ordinary ticket taken by a passenger for a rail journey includes the right to carry a certain amount of luggage free of charge. A railway company has always been looked upon as a common carrier of such luggage, and has all the liabilities in respect of it that a common carrier has at common law. The Railway Act makes provision for each railway company to submit to the Rates Tribunal its proposals for carriage of passengers and their luggage. In the meantime present rates will be continued. It is sometimes difficult to say what is and what is not passenger's luggage. It has been defined as that which a passenger takes with him for personal use in connection with the journey, provided it is in the nature of a package. The layman should have no difficulty in saying what goods do and do not come within the definition, but the position is not simple; thus a bicycle, child's mailcart, gramophone, child's rocking-horse, have been held not to be passenger's luggage, whereas the angler's fishing rod, the artist's easel and paint-box, a sportsman's gun, although not in the nature of a package, have been held to be passenger's luggage.

The railway company's liability for luggage commences when it is received *for transit*. Thus, if placed in the hands of a company's servant an unduly long time before the starting of the train, the company may not be liable; again, if placed in a compartment instead of in the luggage van, liability for loss falls on the company only where the placing of the goods in the compartment was the act of the company or its officials, and not due to the intervention of the passenger. The liability of the company ends where luggage has been removed from the van and placed at the disposal of the passenger or an agent on his behalf. Where railway companies allow their porters to convey luggage between the train and a cab or their hotel on the company's premises, the company's liability as a carrier continues until the luggage is deposited in the cab or hotel.

CLOAK-ROOM ACCOMMODATION.—Amongst the facilities to be provided by railway companies in connection with passenger traffic is cloak-room accommodation. The liability of a railway company in respect of warehousing the goods is something less than that of the railway company for carriage. Generally speaking, the terms for granting cloak-room facilities turn on the printed rules on the cloak-room ticket, which are binding on passengers whether they read them or not.

SHIPPING LAW

Continued from page 341

LESSON VIII.

MARINE INSURANCE.—As it is the practice of shipowners to exclude liability for loss of, or damage to goods carried, to the full extent possible under the law, it follows that, responsibility falling on the shipper, he must necessarily protect himself against possible loss. In the same way the shipowner himself, venturing his vessel, knowing that loss or damage will fall heavily upon him, seeks similar protection. The protection obtained in both cases is that of marine insurance, the law with regard to which is for the most part to be found in the Marine Insurance Act, 1906. This Act defines a contract of marine insurance as one whereby the insurer undertakes to indemnify the assured in manner and to the extent thereby agreed against marine losses.

Generally speaking, marine insurance is brought about through the agency of an insurance broker. The risk is not undertaken by one individual, but is spread over a number of persons each of whom is willing to undertake part, that is the risk is *underwritten*, and the underwriters are the insurers within the above definition.

MARINE INSURANCE AS A CONTRACT.—The contract of marine insurance follows the ordinary rules of law as to commercial undertakings (*see* Commercial Law Lessons). There must be present all the elements of a contract, and in addition legality of object obtains prominence. Any such contract made between parties of whom the assured has no insurable interest will be void as a gambling policy, under the Marine Insurance (Gambling Policies) Act, 1909. The contract of marine insurance must be contained in a policy, and must be stamped as follows :

	s.	*d.*
(*a*) Where premium does not exceed 2s. 6d. per cent. on the sum assured	1	
(*b*) For or upon any voyage where the sum insured does not exceed £250	3	
Exceeds £250 but does not exceed £500 . .	6	
,, £500 ,, ,, ,, ,, £750 . .	9	
,, £750 ,, ,, ,, ,, £1,000 . .	1	–
,, £1,000 for every £500 and any fractional part of £500	6	

(*c*) For time—
where the insurance is made for any time not exceeding six months an amount equal to three times the amount which would be payable if the insurance were made upon a voyage :
where the insurance is made for any time exceeding six months and not exceeding twelve months, six times the amount which would be payable if the insurance were made upon a voyage.

Generally speaking in commercial undertakings fraudulent statements and misrepresentations to be actionable must be active misstatements of material facts. Insurance, however, is peculiar in that it forms a section of contract known as contracts *uberrimae fidei*, in which utmost good faith is to be shown in the making, and consequently concealment of material matters will vitiate the contract; in other words, full disclosures by both parties are necessary.

Policies are absolutely essential, but a contract of marine insurance is deemed to be concluded when the proposal of the assured is accepted by the insurer, whether a policy be issued or not. Every contract in English law is based upon an offer by one party and an acceptance by the other. The proposal in this instance is an offer of the business to a broker, and the acceptance takes the form of a slip or covering note, indicating that the proposal has been accepted. The slip is valid, and the contract can be proved although the covering note is not stamped. This fact, however, will not allow the contract to remain in the slip stage indefinitely; a policy must be executed.

You should refer to the lessons on Marine Insurance and examine the model form of policy contained in the lessons. The wording is archaic, but each clause has come to have a recognised and definite meaning. Any unusual form would be looked at askance, yet provided the policy shows the name of the assured, the subject matter insured, the voyage or period during which the insurance is to run, the value of the insurance, and the names of the insurers, the law requires no special form.

Policies may be: (1) *voyage policies*, insuring the subject matter "at and from" a given place; (2) *time policies*, not exceeding one year in length plus an additional thirty days to allow of the vessel reaching port; (3) *mixed policies*, that is for a given time limited to certain voyages. A further classification is found in the division into *valued* and *unvalued* policies; in the former the value of the subject matter is agreed and stated in the policy, in the latter it is not specified; but left to be proved when loss occurs. The wording of the policy in all cases is such that certain liabilities are excluded, and it is usual for shipowners to meet this contingency by forming mutual insurance societies to protect themselves.

LOST OR NOT LOST.—Sometimes, on taking out a policy on a marine venture, it is uncertain whether or not a risk has already happened. In such cases the policy is arranged "lost or not lost." This means that the policy is retrospective and covers risks which may have happened provided they are not then known to the parties, and both are equally well informed on the matter.

PRIVATE SECRETARIAL WORK

Continued from page 295

II.

Chief amongst elementary subjects, reading may be termed the corner-stone of the secretarial edifice, and upon the amount and the quality of reading done before and during training will depend the progress made in other directions. Though "reading makes a full man," the fullness can only bring nourishment for the mind through the best books. The questions may be asked: "What are the best books, and what should one read?" Dean Farrar, in his essay on *Great Books*, advises young people not to attempt to read everything that comes in their way, but to make a deliberate choice and, in his opinion, "to read any books that are written without a conscience or an aim is an unexcusable manslaughter upon time." Therefore, in order to save time, and to ensure a firm foundation for other studies, the choice must fall upon authors of the highest reputation; those whose writings have outlived carping criticism or fulsome praise, and now are numbered among the classics. "The first lesson in reading well," says James Russell Lowell, "is that which teaches us to distinguish between literature and merely printed matter," and the list of authors whose books are discussed by Dean Farrar is entirely free from writers under the second heading. They are: John Bunyan, Shakespeare, Dante, Milton, and the author of *The Imitation of Christ* (generally supposed to be Thomas à Kempis). Incidentally, also, he pays a high tribute to the genius of George Eliot. This is a fairly comprehensive list, and one that could not fail to be of immense help to those who hope to deal with the thoughts and compositions of others. With advantage, however, it might be enlarged to admit Charles Dickens, John Ruskin, Sir Walter Scott, Emerson, Wordsworth, the two Brownings, and Tennyson, though, where time is limited, the study of Shakespeare alone will ensure a practical insight into sound English; for the best in all other books, written since he laid down his pen, may, as a rule, be traced to Shakespeare, who himself drew inspiration from the Bible and took also what he thought fit from the greatest writers before his period. Judicious reading widens the mental horizon, quickens the imagination, and sets in motion the thinking faculty, latent in every human being; and we have it on the authority of a business genius of the first order that "the cultivation of the imagination" is "essential to the highest success in the commercial business of life, as well as in politics and learning." Parents sometimes complain of the "waste of time" by their children in reading; it would be better for all if they satisfied themselves that the right books were chosen; that their children were using the surest means of "cultivating the imagination": for though, in the early stages of reading, the thoughts and opinions of the writers are generally accepted without question, the time assuredly comes when the reader's own imagination asserts itself, when imitation develops into volition, the faculty of thinking becomes active, and an independent judgment is formed. It is Milton who says of books that they "are not absolutely dead things, but do contain a potency of life in them to be as active as that soul was whose progeny they are: nay, they do preserve as in a vial the purest efficacy and extraction of that living intellect that bred them. I know they are as lively and as vigorously productive as those fabulous dragon's teeth; and being sown up and down, may chance to spring up armed men." No apology, therefore, is offered for writing at length on the subject of good reading, and there is no reason why anyone should read inferior literature. Given the opportunity, a child of 11 or 12 will find keen pleasure in books of the quality of *Adam Bede*, *Kenilworth*, *David Copperfield*, *Arabian Nights*, and any of the plays of Shakespeare; and to re-read such books, when one is old enough to understand the plots or appreciate the varied styles of the composition, is to gain immeasurably in imagination and thought. And whether a secretarial worker seeks employment with a writer of books, a maker of speeches, or an inventor of things mechanical, there are few more valuable assets than a "life interest" in good books, for the next best thing to knowing a subject thoroughly, is to know where to find information on it.

Handwriting is also generally known as "elementary." With some people, it remains so, or at least unformed and unbeautiful; moreover, it is often weakest with those whose school education would otherwise fit them for secretarial work, for which a small, neat style is the most satisfactory. During training, defects should be corrected and neatness practised. A backward form of writing should be checked at once. It is just as easy, and more natural, to write a plain running hand, which can be read by all, as to waste time and energy on writing that makes rapidity impossible, and tries the eyesight and the temper of those who have to read it. Excellent copies may be had for a few pence, and, for practice, nothing is better than to write out passages from good books. In this way, the two subjects of reading and writing may be made to serve each other.

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SCENE IN CALIFORNIAN TIMBER FOREST

BUSINESS QUALITIES

Continued from page 345

KNOWLEDGE

" Knowledge is power." This is a trite and familiar axiom, but many who use the expression probably do not realise its real significance. Knowledge is without power until it is applied. It must be put into action. Thus education and knowledge are words that are often misused and thought to be interchangeable. That this is not so is proved by the fact that knowledge exists before it is acquired by education. Knowledge is the act of knowing, and we may go a long way in education before we can really be said to " know." Real education begins when one leaves school. Education develops; it does not create. It refines, modifies, and improves the natural faculties, and enables a man to make better use of them. It is study, training, discipline, and schooling, but is not knowledge in itself. Perhaps it is best to say that knowledge is that which is gained and preserved by knowing. It is organised or classified experience. The logician says it is perception of the agreement or disagreement of ideas, and that whenever we are sure those ideas agree with the reality of things there is real knowledge. This is practically equivalent to saying that we must know before we know that we know. Hence knowledge must be acquired, and we obtain it by education, which we gain through either instruction or observation.

The antithesis of knowledge is ignorance, and we are often told that ignorance is a crime. Plato said that " sin is but ignorance, and knowledge and virtue are one." It has also been said that the ignorant man is not a free man, and certain it is that a man seldom throws off his bondage until he has gained knowledge, which gives him higher interests, and enables him to make better use of what faculties he has. Lord Palmerston sagely said :—" The more a man knows, the more he acquires the conviction of the extent of that which he does not know. A man ought to know a great deal to acquire a knowledge of the immensity of his ignorance." John Locke earlier expressed the same thought when he said :—" He that knows anything knows this, in the first place, that he need not seek long for instances of his ignorance."

Then, again, it is often thought that because a man possesses knowledge he must necessarily have wisdom. Landor, however, says :—" Wisdom consisteth not in knowing many things, nor even in knowing them thoroughly; but in choosing and following what conduces most certainly to our lasting happiness and glory." Cowper says :—' Knowledge dwells in heads replete with the thoughts of other men; wisdom in minds attentive to their own." Again, Tennyson puts it very beautifully when he sings of knowledge being " earthly of the mind, but wisdom heavenly of the soul." Wisdom is really applied knowledge. We may say that knowledge is like adding power to the microscope or telescope. It enlarges our view, and opens a little wider the narrow door of life. " Practical wisdom," says Smiles, " for the purposes of life must be carried about with us, and be ready for use at call." Wisdom may, in fact, be described as merely a stronger form of common-sense, or as Coleridge has it :—" Common-sense in an uncommon degree is what the world calls wisdom." To express it another way, let us say that wisdom is knowledge with the capacity to make due use of it. Thus we see that knowledge and intelligence do not alone constitute wisdom.

Another mistake is that of supposing that the mere possession of a considerable amount of information is knowledge. A man may acquire a great deal of information by reading and observation, but unless it is classified and organised it is not really knowledge. Dr. Johnson says :—" Knowledge is of two kinds; we know a subject ourselves, or we know where we can find information upon it." One of the most important and valuable sources of knowledge is the reading of good books, but it is not to be supposed that they who have read about everything understand everything, for that by no means follows.

Intellectual culture does not consist merely in accumulating a lot of ill-digested information, but in building up a brain force that can be turned at will on any subject upon which we may be called on to pass our judgment.

> " Reading maketh a full man,
> Writing an exact man,
> Conference a ready man."

In all our striving after knowledge we must have a purpose. To know the purpose of one's work adds force to the effort. We ought to utilise more the knowledge we gain by shaping it towards a definite end. Men must learn to make the best use of their talents, and to turn them to the greatest advantage. Every man should make it a point to know the theory that is underlying his work. He should know something of the effect of which his work is the cause. Every action has a thought behind it, and our thought impulses are the result of knowledge. It is by meditating on our accumulated knowledge that we evolve new ideas.

COMMERCIAL ENGLISH

Continued from page 347

KEY TO EXERCISES IN LESSON VIII (p. 347).

1. (*a*) On entering the hall he beheld a strange sight.
   (*b*) We may, however, avoid such mistakes in the future.
   (*c*) A man of intellect is not attracted by such amusements as these.
   (*d*) We frequently receive assistance from others; nevertheless we soon forget their kindness.
   (*e*) The man's mental power is remarkable.
   (*f*) November and March are generally stormy.
   (*g*) Before entering into the contract we must examine very carefully the site for the proposed building.
   (*h*) That a serious mistake has been made is obvious.

2. RIDICULOUS: (Latin; *rideo*, to laugh) The ridiculous proposal provoked the hearers to mirth.
   PREVENT: (Latin; *prae*, before; *venio*, to come). The horseman suddenly appeared and prevented our advance.
   INGENIOUS: (Latin; *ingenium*, mother-wit). Mr. Jones is very ingenious and will be able to find a way out of the difficulty.
   INGENUOUS: (Latin; *ingenuus*, of good birth). It is easy to impose upon a person so ingenuous as Mr. Smith.
   DESUETUDE: (Latin; *desuetudo*, a falling out of use).
   The practice of duelling in England has fallen into desuetude.
   EPHEMERAL: (Greek; *epi*, for; *hemera*, a day). In the summer there are swarms of insects which pass a merely ephemeral existence.

3. JUDICIAL: The whole matter will be made the subject of a judicial inquiry.
   JUDICIOUS: You may rely upon the discretion of Mr. Jones; he is a most judicious person.
   CONTINUOUS: We were almost deafened by the continuous roar of the waterfall.
   CONTINUAL: From beginning to end his speech was broken by continual interruptions.
   EFFICIENT: His training and experience have made him a most efficient officer.
   EFFECTIVE: The physicians have not yet discovered an effective remedy.
   ANCIENT: The story has come to us from ancient times.
   OBSOLETE: Many words used by Chaucer have become obsolete.
   ANTIQUATED: The lady's dress had a most antiquated appearance.
   OLD: The poor woman was covered by an old shawl.

4. (*a*) WAS heard.
   (*b*) ARE wonderful.
   (*c*) WAS inclined.
   (*d*) Is very serious.

LESSON IX.

GRAMMAR NOTES.—Rule II. *Each, either, neither, every* are singular. They are called Distributives. The first three may be used as pronouns or as adjectives; the last one only as an adjective.

As distributive pronouns they are singular number; as distributive adjectives they are always attached to nouns in the singular number. In both cases, according to Rule I, the verb must be in the singular number.

We must say—

(*a*) *Every one of the offers* HAS *been carefully considered*, not HAVE *been*.

(*b*) *Either of the proposals* IS *satisfactory*, not ARE *satisfactory*.

(*c*) *Neither of the candidates* IS *sufficiently qualified for the post*, not ARE *sufficiently qualified*.

(*d*) *Each of the partners* WORKS *hard*, not WORK *hard*.

The nouns given in these examples—*offers, proposals, candidates, partners*—are plural, but they do not affect the verbs. The number of the verb is decided by the distributive.

Another use of the words *either* and *neither* requires your attention. They must be used only with reference to one of *two* things. You may say—

Either of the TWO; *neither of the* TWO; but you must not say—

Either (or *neither*) *of the* THREE.

When referring to one of a larger number than two, the word *none* must be used, e.g.—

None of the three.

None must be followed by the singular form of the verb, e.g.—

None of the three IS *suitable for our purpose.*

All pronouns referring to the words which we have just considered—*each, every, either, neither, none*—must be singular, thus—

Each of the men maintains that HE IS *right*, not *Each of the men maintains that* THEY ARE *right.*

Similarly you must say—

None of the company HAS *brought* HIS *or* HER *music*, not . . . HAVE *brought* THEIR *music.*

Rule III. Transitive verbs and prepositions govern pronouns in the objective case.

In an earlier lesson we dealt with this rule so far as it concerns transitive verbs. With most prepositions difficulties rarely arise. Most of the mistakes are made with *between* and *but* used as prepositions, e.g.—You must say—

There is no difference between you and ME, not *between you and I ;*

Everybody but HIM *was satisfied,* not *everybody but* HE.

Note also that *between* must be used only when referring to two things. You may say—

It was divided BETWEEN *the two men ;* but you must say AMONG *the three men.*

Rule IV. The Demonstratives *this* and *that* are singular ; *these* and *those* are plural.

These words may be used either as pronouns or as adjectives. When used as adjectives, *this* and *that* must be attached to singular nouns ; *these* and *those* to plural nouns.

A very common error is to speak of—

These kind of things or *Those sort of men.*

The nouns *kind* and *sort* are singular number, and should be prefixed by *this* and *that.* Say—

This kind of thing ; That sort of man.

Rule V. THAN is a conjunction, not a preposition. Conjunctions take the same case after them as before them; prepositions, as we stated in Rule III, are followed always by the objective case.

The sentence—

I am older than him

is incorrect. The pronoun *I,* preceding *than,* is in the nominative case ; the pronoun *him,* following *than,* is in the objective case. *Than,* being a conjunction, must be followed by the case that precedes it. The sentence, therefore, should be—

I am older than HE.

Similarly, we must say—

He has been more successful than I, not *than* ME.

In the sentence—

He offers HIM *more than* ME,

the conjunction is preceded by the objective case (*him*), and is, consequently, followed by the objective case (*me*). The meaning of the last sentence may be expressed thus—

He offers him more than he offers me.

If we say—

He offers him more than I,

our meaning is—

He offers him more than I offer him.

Rule VI. A Relative Pronoun must have an antecedent.

Consider the sentence—

He did not arrive in time, which caused great inconvenience.

What caused great inconvenience ? As the sentence stands, there is no noun or pronoun to which the relative refers. It was his failure to arrive in time, or his late arrival, which caused inconvenience ; and the sentence should be written either—

His failure to arrive in time caused great inconvenience, or

His late arrival caused great inconvenience.

Emphasis could be produced in each of these sentences by prefixing *It was* and using the relative, e.g.—

It was his late arrival which caused great inconvenience.

Here *arrival* is the antecedent of *which,* and the sentence obeys the rule.

Rule VII. Double negatives destroy each other. The chief negatives are : *no, not, none, nothing.* Perhaps the most glaring instance of the use of double negatives is the sentence of the streets—

I haven't got none = I have not got none.

The negatives destroy each other, and the effect of the sentence is—

I have got some.

What the speaker means is—

I have not got ANY.

If you say—

I should not be surprised if he does not fail,

you are, in effect, saying—

I should be surprised if he fails.

What you meant to say was, we suppose—

I should not be surprised if he fails.

SPELLING.—

Words ending in *-ement* and *-iment*—

complement	element	excrement
implement	increment	supplement
tenement	vehement	accoutrements
compliment	detriment	impediment
nutriment	regiment	rudiment
muniment	liniment	sentiment

Words ending in *-ance* and *-ence.* (A small selection only.)—

acceptance	ambulance	continuance
grievance	inheritance	perseverance
resemblance	resistance	severance
sufferance	sustenance	vengeance
audience	condolence	experience
independence	influence	interference
occurrence	precedence	preference

Words ending in *-cious* and *-tious*—

atrocious	avaricious	audacious
capacious	efficacious	officious
precious	precocious	pernicious
sagacious	ferocious	judicious
malicious	spacious	suspicious
tenacious		
ambitious	cautious	conscientious
infectious	ostentatious	pretentious
propitious	superstitious	vexatious

Groups of words requiring special attention—

A. accede, accessible, accommodate, acceleration, accumulate.

B. acquiesce, adolescence, coalesce, convalescent, excrescence, munificent (no *s*).

C. abscess, ascetic, ascend, conscientious, crescent, descend, fascinate, luscious, miscellaneous, susceptible, transcendent.

D. capacity, curiosity; audacity, adversity; atrocity, animosity; ferocity, monstrosity; felicity, falsity; authenticity, intensity; velocity, verbosity; sagacity, necessity; simplicity, diversity.

Note the following words ending in *-tial* and *-cial*—

essential	initial	influential
partial	potential	Prudential
substantial	providential	initial
beneficial	commercial	judicial
provincial	special	social
Note:	controversy	controversial

A few of the words ending in *-tion, -sion, -cian*—

convulsion	dimension	expansion
extension	immersion	pretension
aspersion	apprehension	ascension
transgression	tension	version
abolition	anticipation	assertion
completion	concoction	corruption
discretion	exception	exhibition
option	redemption	reflection
arithmetician	academician	electrician
mathematician	magician	musician
optician	logician	physician
politician	rhetorician	patrician

(Note all in *-cian* are names of persons.)

REDUNDANCY (*continued*).—**Verbosity** is mere superabundance of language. You may be guilty of verbosity without being tautological, e.g.—

Feeling myself impelled by an earnest desire to visit the place which gave me birth, I made my way there by the aid of the wonderful invention of the immortal Stephenson.

Examine every word of this sentence, and you will not find one instance of tautology. Each word has a distinct meaning. The sentence is simply overburdened with words; the very simple idea contained is buried in unnecessary phraseology.

The idea could be, and should be, expressed in some such simple form as—

I greatly desired to visit my native place, and went there by rail,

which contains every idea contained in the verbose passage.

Leaving out the subordinate idea of "desire," we might write the sentence thus—

I went home by rail.

Circumlocution is the use of roundabout forms of speech.

The wonderful invention of the immortal Stephenson is a circumlocution for *the locomotive engine.*

Circumlocution may occasionally be of use as an ornament of composition; but its use requires great skill and care, and it should be avoided in formal business documents.

Instead of—

At no previous period in the world's history, say *Never.*

Instead of—

It cannot be denied that he is right, say simply, *He is right.*

There is no doubt that a mistake has been made = A mistake has been made.

EXERCISES.

1. Correct the errors in the following sentences—

(*a*) You may send the news either by letter, by telephone, or by telegraph.

(*b*) Every one of the men but he accept the offer.

(*c*) We must take into consideration more people than he.

(*d*) There was very little difference between the three proposals which were placed before the committee.

(*e*) The train was more than an hour late, which caused me to miss my appointment.

2. Simplify the diction of the following passages:

(*a*) In the poem now examined, when the English are represented as gaining a fortified pass, by repetition of attack and perseverance of resolution, their obstinacy of courage and vigour of onset, is well illustrated by the sea that breaks, with incessant battery, the dikes of Holland.

(*b*) On all common occasions, he habitually affects a style of arrogance, and dictates rather than persuades. This authoritative and magisterial language he expected to be received as his peculiar mode of jocularity; but he apparently flattered his own arrogance by an assumed imperiousness, in which he was ironical only to the resentful, and to the submissive sufficiently serious.

3. Correct the following sentences—

(*a*) Nothing but rough games please the boys.

(*b*) Good order, and not mean savings, produce great profit.

(*c*) A few hours' consideration are quite enough.

(*d*) Each one of the quotations were carefully considered, but none were accepted.

(*e*) Usually the duties were generally divided among the two clerks.

BOOK-KEEPING

Continued from page 351

Key to Exercise in Lesson VIII (p. 351).

Dr. CASH. *Cr.*

			Dis.	Cash.	Bank.
Sept. 1	To Balance			25 0 0	250 0 0
„ 4	„ L. Lane		1 0 0		20 0 0
„ 7	„ Sales			17 10 0	
„ 9	„ H. Holly		5 0	15 0 0	
„ 12	„ Cash	✓			25 0 0
„ 15	„ Sales			10 0 0	
„ 19	„ B. Bruce		2 16 0		70 0 0
			£4 1 0	£67 10 0	£365 0 0
Sept. 22	To Balance b/d ..			25 11 6	249 0 0

CONTRA.

			Dis.	Cash.	Bank.
Sept. 2	By Trade Exes. ..			2 10 0	
„ 8	„ Purchases				8 10 0
„ 9	„ L. Lodge		2 10 0		50 0 0
„ 12	„ Rates			3 18 0	
„ „	„ Bank	✓		25 0 0	
„ 17	„ Stationery			10 6	
„ 18	„ Wages			10 0 0	
„ 20	„ G. Grove & Co.		1 6 0		57 10 0
„ 21	„ Balance c/d ..			25 11 6	249 0 0
			£3 16 0	£67 10 0	£365 0 0

LESSON IX.

The books of account which have been illustrated in the previous lessons form a complete set sufficient for recording the transactions of a merchant's business, in which there are no complicated transactions.

They may be briefly summarised as follows—

The principal books of the double entry system of book-keeping are: (1) the Journal and (2) the Ledger.

(1) The **Journal** is sub-divided into—
- (*a*) the Sales Day Book;
- (*b*) the Invoice Analysis Book;
- (*c*) the Returns Inwards Book;
- (*d*) the Returns Outwards Book;
- (*e*) the Journal Proper.

(2) The **Ledger** is sub-divided into—
- (*a*) the Cash Account } combined in the
- (*b*) the Bank Account } Cash Book;
- (*c*) the Personal Ledgers;
- (*d*) the Impersonal Ledger.

PETTY CASH BOOK.—Whilst, as is stated above, the books already outlined form a complete set sufficient to record a trader's transactions, there is another extremely useful book which is in common use, and to which no reference has yet been made. This is a book for recording small expenses, and is known as the Petty Cash Book.

There are found in practice three systems of recording petty cash. The first is to allow the petty cashier to make petty cash payments out of sundry small receipts, such as cash sales. This system, however, permits little or no check upon the petty cash receipts, and is consequently looked upon with disfavour. A second system consists of sums of a fixed amount, say, £5 or £10, being advanced from time to time to the petty cashier, out of which he makes petty cash payments, the second and subsequent advances being made when he reports that the previous advances have been almost all expended. The chief objection to this course is that the petty cash payments are not likely to be subjected to a proper supervision. This objection also applies to the first system.

IMPREST SYSTEM.—The third and most advantageous system, which is now very commonly adopted, is known as the "Imprest" system of petty cash. In this system a fixed sum, which is determined by the probable petty cash expenditure over a certain period, is advanced to the petty cashier. At the close of the period the petty cashier produces his Petty Cash Book, together with such vouchers as he has been able to obtain, reports to the cashier what his expenditure has been, and supplies him with an analysis of it. The cashier examines the Petty Cash Book and, if satisfied with the entries appearing therein, refunds to the petty cashier the exact amount which he has expended, thus bringing up the unexpended balance in the hands of the petty cashier to the original amount advanced.

This matter is also dealt with in the Lessons on Office Organisation and Counting-House Routine.

ASSETS, LIABILITIES, AND CAPITAL.—Before we proceed to carry through a series of transactions, it is necessary that the student should make himself acquainted with the following terms and their meanings, viz.—

1. Assets. 2. Liabilities. 3. Capital.

1. **Assets** is the term applied to the property possessed by a person, or business; such as land, buildings, machinery, book debts, cash. An asset is always represented in the books of account by a debit balance on a personal, or on a real, account. As the student has already learned, a personal account records transactions with persons; and,

therefore, if a debit balance appears on such an account, it represents that that particular person is a "*debtor*" to the business, and the amount of the balance is described as a "*book debt.*"

Real accounts have been defined in an earlier lesson as accounts recording transactions in property. Since property is acquired from other persons (or from the proprietor of the business), the record of such acquirement will consist of *crediting* the person from whom it is acquired (or the proprietor) and *debiting* the impersonal or real account relating to the property acquired. Thus—

	£	£
Buildings, *Dr.*	1,000	
To John Builder		1,000
for Warehouse No. 17 Lowes Road purchased from him.		

It will, therefore, be clear to the student that the balances on real accounts will, except in very rare cases with which it is, at the moment, unnecessary to deal, always be debit balances. Such debit balances represent the "book value" of the property owned, and are included in the term "assets."

(2) **Liabilities** are obligations—sums for which the business is liable (i.e. sums due to creditors which are represented by credit balances on personal accounts).

(3) **Capital** is the excess of assets over liabilities (i.e. the sum by which the value of the total assets exceeds the value of the total liabilities).

In order to grasp completely the meaning of this term and the position capital occupies in the books of account, the student must regard the business as distinct from the proprietor of it. The business is accountable to the proprietor for the amount of his interest in it. Now, his interest in the business is obviously the sum which would remain after the assets had been realised and the proceeds applied in paying off all the liabilities—this is the capital (as defined above) of the business. We shall, therefore, find that the capital of the business is represented by a *credit* balance on the Capital Account. The Capital Account may be regarded as the personal account of the proprietor, who thus appears as a creditor for the amount of capital invested in the business.

NOMINAL ACCOUNT BALANCES.—We have ascertained that the balances on personal accounts and real accounts represent either assets, liabilities, or capital. It now remains to consider the balances on nominal accounts.

In a previous Lesson it was explained that nominal accounts record losses and profits or gains and expenses. Examples of such accounts are rents payable, insurance, gas, travelling expenses, each of which represents losses (or expenses); and interest receivable, rents receivable, which are profits or gains.

Thus, when A. B. undertakes to pay C. D. £25 for the rent of a field, the Journal entry would be expressed thus—

	£	£
Rent Account, *Dr.*	25	
To C. D		25
for one year's rent of field.		

(*Note.* This entry would not in the ordinary course of things pass through the Journal, but through the Invoice Analysis Book. It is only expressed here in this form to give the student a clearer conception of the effect of the transaction.)

The Rent Account is, in this instance, the nominal account, and it is *debited* with the expense of the amount due for rent; whilst the Landlord's Account, which is the personal account, is credited with the rent due.

On the other hand, assuming A. B. advanced a loan of £1,000 to X. Y. on condition that X. Y. paid interest at 5 per cent. upon it, then, if on January 1st, 19.., one year's interest has become due, A. B. would express the fact by the following Journal entry—

	£	£
X. Y., *Dr.*	50	
To Interest Receivable ..		50
being one year's interest on £1,000 @ 5% due this date.		

X. Y. is then debited in the personal account with £50, whilst the Interest Receivable Account is *credited* with the same sum; and, in this case, the Interest Receivable Account is the nominal account.

From these examples, then, we form the rule, that *debit* balances on nominal accounts represent *losses*, whilst *credit* balances on nominal accounts represent *profits*.

At this point it will be convenient to direct the student's attention to a slight deviation from a rule which has been laid down earlier in these lessons.

OMISSION OF THE PERSONAL ASPECT OF TRANSACTIONS.—It has been previously pointed out that book-keeping records the personal effect of the transaction upon the outsider and the impersonal effect upon the business. It is, however, at times convenient to ignore the personal aspect of certain transactions, when the debit and credit effects upon the personal account synchronise and mutually cancel each other.

Thus, when A. B. pays to his workpeople the sum of £500 for wages due, the Journal entries are—

Dr. CASH ACCOUNT. *Cr.*

		£ s. d.	£ s. d.	£ s. d.	19..		I.L.	£ s. d.	£ s. d.	£ s. d.
					Jan. 10	By Wages ..	4		500 0 0	

Dr. WAGES ACCOUNT. *Cr.*

19..		C.B.	£ s. d.			£ s. d.
Jan. 10	To Cash	1	500 0 0			

		£	£
19..			
Jan. 10	Wages, *Dr.*	500	
	To Sundry Workpeople ..		500
	for Wages due this date.		
19..			
Jan. 10	Sundry Workpeople, *Dr.* ..	500	
	To Cash		500
	for Wages due this date paid.		

Now, since there is no probability of the wages due at any date remaining unpaid, and consequently no likelihood of any balance ever appearing on the "Workpeople's Account" (provided all the postings are properly made), there is not any particular advantage to be gained by keeping such an account. It is an almost universal practice to ignore this account; and from an examination of the above example and a comparison of it with the following one, it will be seen that the same ultimate effect is obtained if the debit and credit personal effects of these two transactions upon the Workpeople's Account are eliminated and the cash payment posted direct from the Cash Book to the Wages Account, as at the top of the page.

The student will here naturally inquire: "But why not omit to record the personal element in buying and selling transactions, and post the cash direct to the proper impersonal account in every case?"

The reasons why this procedure is not followed are—

(1) That it is rarely that a purchase or sale is made coincident with the payment or receipt of cash. Where such is the case, it is permissible to post the cash direct to a "Cash Sales" or "Cash Purchases" Account; but, otherwise, it is necessary that there should be some record other than, and prior to, that raised when the cash is transferred to the purchaser or seller. The personal account is, therefore, necessary in order that such a record may be entered therein.

(2) If cash receipts and payments only were posted, it would mean that the Purchases and Sales Accounts would show only the purchases and sales *actually paid for*, and not those *actually made*.

(3) The personal account possesses an advantage in that it is a record of the transactions with each customer or dealer, to which record reference can be made for particulars as to the increase or decrease of purchases from particular sources, and of sales to certain customers.

(4) The personal account is also essential in order that the debts owing to and by the business may be ascertained at any time.

EXERCISE.

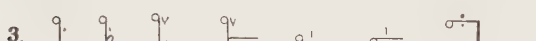
Journalise the following—

19..			£	s.	d.
Aug.	1.	W. Wray commenced business with Cash	750	0	0
,,	3.	Purchased Goods from G. Green	250	0	0
,,	4.	Do. do for Cash ..	27	13	4
,,	5.	Sold Goods for Cash	25	0	0
,,	8.	Do. do. to B. Belleville ..	50	0	0
,,	9.	Do. do. to B. Blackett ..	27	3	4
,,	11.	Purchased Goods from R. Risley	100	0	0
,,	12.	Paid G. Green, Cash	150	0	0
,,	15.	Received Cash from B. Belleville	30	0	0
,,	18.	Do. do. B. Blackett	17	3	4
,,	19.	Bought Goods from G. Green..	50	0	0
,,	23.	Sold Goods to B. Belleville for Cash	125	0	0
,,	25.	Sent Cash to G. Green.. ..	200	0	0
,,	26.	Paid Wages	37	8	6
,,	31.	Remitted Cash to R. Risley ..	50	0	0
		Goods on hand valued at £200 10s.			

SHORTHAND

Continued from page 353

KEY TO EXERCISE 25.

1.
2.
3. 
4.

KEY TO EXERCISE 26.

1.
2.

KEY TO EXERCISE 27.

1.

LESSON IX.

"Str" occurring Medially. It has already been mentioned that *str* is a large final loop, and can be employed medially only in two or three cases. Its place medially is generally taken by *s* circle and *tr*, thus ;

So we have *master*, but *masterly*, *master-key*, *waster*, *wastrel*, *lustre*, *lustrous* (compare *lustres*), *register*, *registry* ; *ancestor*, *ancestral* ; *dexter*, *dexterous* ; *bluster*, *blusterer*.

Circle "s" before "pl, bl," etc. *supple*, *suppleness* ; *subtle*, *subtlety* ; *settle*, *settler* ; *saddle*, *saddler* ; *satchel*, *sickle*, *bicycle*, *physical*, *seclude* ; *splice*, *supplies*, *sublime*. In the case of *k s pl* an imperfect hook is used, the circle being somewhat elongated to form an ellipse ; thus, *explode*, *explicit*.

EXERCISE 28.

1. Sable, disable, possible, close, disclose, exclusive.
2. Visible, fusible, traceable, nostrils, extremity, mistrust.
3. Gloucester, Gloucestershire, besieger
4. (*S* inside hook) crosswise, rosewood. causeway.

Circle "s" with Hooked Curves. *suffer*, *suffrage* ; *sever*, *severance* ; *civil*, *civilise* ; *sinner*, *simmer*, *soother*, *peaceful*, *distressful*, *lucifer*, *signer*, *designer*, *chastener* (*t* not sounded), *fastener*, *prisoner*, *tortoiseshell*.

EXERCISE 29.

1. Suffering, cypher, decipher, sufferance, prison, prisoner.
2. Listen (no *t* sounded), Listener, poisoner, honour (no *h*).
3. Dishonour, dishonourable, Bolsover.

FINAL HOOKS.—By this time you will no doubt have become quite used to the brevity of the signs used in Pitman's Shorthand. In our last lesson we saw how one sign could represent a combination of three consonants, *e.g.*, = *spr*. By making use of this form, thus, , we get the word "*suppressed*." Compare the strokes in the shorthand sign with the number of strokes in the longhand writing of the same word, and you will see why the system lays claim to brevity.

We have not yet, however, exhausted our abbreviating devices. We will take still another, this time a final hook.

The N Hook. A small final hook added with a right motion to straight strokes adds in each case the letter *n*. Thus we have :—

pn, bn, tn, dn, chn, jn, kn, gn, rn, wn, yn, hn.

This *n* hook is to be treated just in the same way as the final circle *s* was treated, that is, it is to be read last after the consonant itself, or after any vowel which may happen to follow the consonant ; thus,

 pie, *pine* ; *ope*, *open* ; *up*, *upon* ; *Joe*, *Joan* ; *go*, *gone* ; *wee*, *wean* ; *hone*, *yaw*, *yawn* ; *drawn*, *grown*, *clean*, *strain*, *cyclone*.

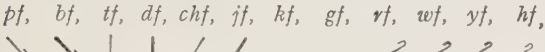
EXERCISE 30.

1. Bone, blown, brown, strewn, crown, screen, gain.
2. Again, ten, eaten, hen, yon, oaken, green.
3. Glean, spleen, tin, satin, sprain.

It will be seen from the above exercise that each of the words used ends with the sound of *n*, and that the hook actually represents the letter *n*. You will also notice that the *r* hook and the *n* hook *Ru N* in the same direction. They both have the same right motion, and occur on the same side of the stroke consonant.

prn, krn.

The F or V Hook. If the hook be written finally to a straight stroke in the opposite direction to that shown above, that is, written with a left motion, it represents either the letter *F* or *V*. Thus we have :—


pf, bf, tf, df, chf, jf, kf, gf, rf, wf, yf, hf,

or *pv, tv, chv,* etc.

You will remember that when we added a small final circle to a simple straight consonant, the circle represented *s* or *z* ; now we find that a small final hook written in precisely the same direction represents *f* or *v*.

A few examples will make this quite clear.

pay, pace or *pays ; pafe* or *pave ; rye, rice* or *rise, rife* or *rive ; huff, hive ; waif* or *waive, cough, cove ; brief, brave ; cliff, cleave ; bluff, proof* or *prove.*

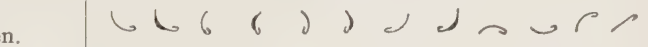
EXERCISE 31.

1. Tough, dive, chief, achieve, cuff, gave, wife, hive.
2. Trough, drive, gruff, grieve, approve, glove, cliff, roof.
3. Strife, strove, surf, hoof, skiff, scoff, heave.

Final Hook to Curves. When we come to deal with curves we find that we have only one side to which hooks may be attached, namely, the inside. This final hook, therefore, can represent only one sound, and the one chosen is *n*, as there are far more examples of final *n* than of final *f* or *v* to curves.

We now may add to our previous examples :—

fn, vn, thn, THn, sn, zn, shn, zhn, mn, nn, ln, Rn.



You should try to make each of these forms into English words by the addition of one or more vowels. Be very careful in dealing with " *sn.*"

Thus we have *fun, vine, oven, thin, thine, zone, ozone, shun, ocean, mine, amen, none, anon, earn, Arran.*

What of ? " Sign, sun, sin, sane, etc.," will not do ! Why ? Turn back to the lesson on circle *s* and stroke *s*, and you will find the reason. The stroke *s* here must be preceded by a vowel. Hence we can make the words *assign, Essen, Eason.*

EXERCISE 32.

1. Even, seven, Ammon, salmon, frown, throne, shrine, flown.
2. Saloon, stolen, swollen, fen, soften, stiff, stiffen.
3. Safe, syphon, refrain, brother, brethren, unknown, dethrone.

No F or V Hook to Curves. As there is no *f* or *v* hook to curves, we are, of course, compelled to use the stroke *f* or *v* where that consonant follows a curve. Thus compare :—

fine, fife, five ; thrown, throve ; shrine, shrive ; moon, move ; line, life ; slain, slave ; shun, shove ; nun, enough ; Nain, knave.

" Shn " and " Ln." In a previous lesson you were shown that, according to circumstances, *sh* and *l* may be written either upward or downward. Similarly the hooked forms *shn* and *ln* may be written in these two directions, but when not joined to another stroke " *shn* " is always written downward , and " *ln* " always written upward . Thus we have :—

shun, ocean, but *attenuation, situation ; lone, melon, aniline, muslin, vaseline.*

R with Final Hook. It is well to note that when *r* occurs as the final stroke in an outline, and has to be finally hooked, the upward form must be used; thus, *morn*, *turn*, *adjourn* (no *d* sounded), *scorn*, *learn*, *yarn*, *turf*, *scarf*, *reserve*, *preserve*.

Exercise 33.

1. Mourn, maroon, brawn, born, baron, crane, cairn.
2. Carron, sprain, spurn, sporran, observe.
3. Brave, bereave, trough, tariff, train, outrun.

When the Final Hook may NOT be used. You will have noticed that, in all the examples so far given, the *n*, *f*, or *v* is truly final; it is not followed by any vowel whatever. From this you will probably have concluded that when the *n*, *f*, or *v* is final it may be represented by a hook instead of the usual stroke. This is true in the vast majority of cases.

It may happen, however, that a final *n*, *f* or *v* may be preceded by a circle or some other abbreviation. The hook cannot then be employed, as there is no stroke to which it can be attached.

Thus we write: *pen*, *pennon*; *ten*, *tenon*; *drive*, *driven*; *puff*, *puffin*; *Devon*, *does*, *dozen*; *poise*, *poison*; *chasten*, *listen*, *reason*, *oppress*, *oppressive*, *mass*, *massive*, *sun*, *stone*, *swain*.

From these last examples it will be seen that it is more important to retain the circle in the middle of the outline, than to write a stroke *s* in order to add a final hook. As mentioned in the lesson on *S*, stroke *s* or *z* must be avoided in the middle of an outline if possible.

Also note that if the final *n* is preceded by a "triphone," the stroke *n* is used in a few cases, the stroke pointing out that something unusual occurs with it; thus, *genuine*.

As you have already seen in the case of *s* and *z*, a final vowel always needs a stroke to which it may be put. Hence we write *Fan*, but *Fanny*; *Dave*, but *Davy*; *huff*, but *huffy*; *cone*, but *Coney*; *serve*, but *survey*.

Medial N or F. When *F* or *V* occurs medially between   , and a downstroke or horizontal stroke, the hook is usually employed, as a smarter and briefer outline is obtained; thus, *profit*, *brevity*, *trivet*, *draughty*, *chieftain*, *javelin*, *province*, *provoke*, *braving*, *traffic*, *driven*, *achieving*, *Jevons*, *juvenile*.

You will find that the medial "f" *hook* is more common than the medial "f" *stroke*.

On the other hand the medial "*n*" is generally a stroke, as this leads the hand forward, the hook being chiefly used in order to preserve the straightness of a stroke, or to obtain a sharp joining; thus, *man*, *manly*; *pain*, *painless*; *win*, *window*; *rain*, *range*; *month*, *change*, etc.

Note the medial hooks in the following, and see why they are used: *planet*, *suddenness*. (Here the straightness of *p* and *d* is preserved.) *arrange*, *fringe*, *Frenchman*, *Arrandale*, *frontal*, etc. (Here the chief advantage is the sharp, compact outline.)

It is well to notice the advantage of using a hook *f* in such words as: *refer*, *prefer*, *defer*, *devour*, where it is important that the presence of the *accented vowel* before the *r* should be shown.

Compare these with *reefer*, *proffer*, *differ*, *Dover*, in which no accented vowel occurs before the *r*.

The Ending "Ner." There are two ways of representing this ending, as will be seen in the words *mean*, *meaner*, and *run*, *runner*.

Where it is possible to do so easily, it is best to use the form , except after an upward straight-stroke, where the hook *n* and downward R form an easier outline.

Examples: *fine*, *finer*; *tune*, *tuner*; *brown*, *browner*; *line*, *liner*; but *burn*, *burner*; *win*, *winner*, etc.

Exercise 34.

1. Imprison, loosen, province, sign, O'Brian.
2. Dennis, service, surface, heavy, puffy.
3. Devon, David, devotes, puffin, defence.
4. Oranges, referee, beginner, burner.

COMMERCIAL ARITHMETIC

Continued from page 356

Answers to Exercise H.

1. (*a*) 4·9%; (*b*) 0·7%; (*c*) 13·4%; (*d*) 14·4%; (*e*) 23·7%; (*f*) 12·5%; (*g*) 9·6%; (*h*) 6·4%; (*i*) 3·8%; (*j*) 10·6%.

2. (*a*) Taking depreciation as a fixed amount ($12\frac{1}{2}$% of 2750), £1,375.

(*b*) Taking depreciation as a variable amount —$12\frac{1}{2}$ per cent of the value at the commencement of each year, £1,611 19s. 4d. (nearest penny).

3. £1,660 15s. 2d.

4. £127 17s. 4d.

Note on No. 1.—Exercise H.

In working this example, you will have noticed that the expression for the percentage of each item could be represented as follows—

$$\frac{\text{Cost} \times 100}{195640000}$$

There will thus be a series of 10 divisions, the divisor of each being 19564 (omitting the 4 noughts). In such cases, it is advisable to construct a "Table of nine multiples."

1	19564
2	39128
3	58692
4	78256
5	97820
6	117384
7	136948
8	156512
9	176076

Solution of No. 3—Exercise H.

Suppose the agent sold the flour for £100,

Then his commission at $2\frac{1}{2}$% = $2\frac{1}{2}$

Balance = £$97\frac{1}{2}$

He then has to buy wheat for £$97\frac{1}{2}$ and makes a second commission of $2\frac{1}{2}$ per cent. Therefore, second commission = $2\frac{1}{2}$ per cent. of $97\frac{1}{2}$.

$$= \frac{2\frac{1}{2}}{100} \times 97\frac{1}{2}$$

$$= \frac{1}{40} \times 97\frac{1}{2}$$

$$= 2\,\tfrac{7}{16}$$

$\therefore$ Total commission = $2\frac{1}{2} + 2\frac{7}{16} = 4\frac{15}{16}$

When total commission is £$4\frac{15}{16}$, the S.P. of flour is £100

When total commission is £82 the S.P. of flour is £x

$$\therefore\ x = \frac{100 \times 82 \times 16}{79}$$

$\therefore$ S.P. of flour = £1,660 15s. 2d.

LESSON IX.

PROFIT AND LOSS.—The calculation of profit or loss is a most important element in every business transaction. It is represented as a percentage generally of the cost price, but sometimes of the selling price. It is important, therefore, that we should know on what base the calculation is to be made. In the text-books of arithmetic, it is assumed, unless stated otherwise, that the profit or loss is reckoned as a percentage of the actual outlay (i.e. the cost price).

Now consider the following:—A grocer bought 5 cwts. of sugar at 17s. 6d. per cwt. and sold it at $2\frac{1}{2}$d. per lb. Find (i) the total profit; (ii) what fraction the profit is of the cost price; (iii) what fraction the profit is of the selling price.

Selling Price of 5 cwts. = £5 16 8
Cost Price of 5 cwts. = £4 7 6

$\therefore$ (i) Total profit = £1 9 2

$$\therefore \text{ (ii) } \frac{\text{Profit}}{\text{Cost Price}} = \frac{£1\ 9\ 2}{£4\ 7\ 6} = \tfrac{1}{3}$$

$$\text{and (iii) } \frac{\text{Profit}}{\text{Selling Price}} = \frac{£1\ 9\ 2}{£5\ 16\ 8} = \tfrac{1}{4}$$

Hence Profit = $\frac{1}{3}$ of C.P. = $33\frac{1}{3}$% of C.P.
= $\frac{1}{4}$ of S.P. = 25 % of S.P.

Example. I bought 36 horses at £20 each; carriage cost me £2 per horse, feeding £3 per horse. I sold them for £922 10s. What was my profit on the outlay, and what was my profit per cent?

In this example, the cost or outlay is made up of the money paid for the horses, together with the cost of carriage and feeding.

$\therefore$ C.P. = 36(£20 + £2 + £3)
= 36 × £25
= £900
S.P. = £922 10s.

$\therefore$ Profit = S.P. − C.P.
= £922 10s. − £900
= £22 10s.

$\therefore$ Profit fraction $= \frac{22\frac{1}{2}}{900} = \frac{45}{1800}$

$\therefore$ Profit per cent. $= \frac{45}{1800} \times 100$
$= 2\frac{1}{2}$

We are often asked at what price an article must be sold to show a given profit per cent. on the cost price. In such examples, we have a choice of two methods: we may calculate the profit as the percentage of the cost price, and hence find the selling price; or we may take the selling price as a fraction of the cost price and obtain it direct.

EXAMPLE. At what price must a watch which cost £4 be sold to show a profit of $3\frac{3}{4}$ per cent. ?

(*a*)

C.P.	= £4·		C.P.	= £4	0 0
3%	= ·12	$3\frac{3}{4}\%$	$= \frac{3}{80}$ =		3 0
$\frac{3}{4}\%$	= ·03				
$\therefore$ S.P.	= £4·15	$\therefore$	S.P. =	£4	3 0
	= £4 3s. 0d.				

(*b*) Let C.P. = 100; then gain = $3\frac{3}{4}$
Hence S.P. = $103\frac{3}{4}$ when C.P. = 100

$\because$ S.P. $= \frac{103\frac{3}{4}}{100}$ of C.P.

$= \frac{415}{400} \times \frac{4}{1}$

$= \frac{83}{20}$ = £4 3s. 0d.

EXAMPLE. By selling a piano for £46 5s., a tradesman lost $7\frac{1}{2}$ per cent. on the cost price. What would have been gained per cent. had it been sold for £51 10s. ?

Let C.P. = 100, then S.P = $92\frac{1}{2}$

$\therefore$ C.P. $= \frac{100}{92\frac{1}{2}}$ of 1st S.P.

$= \frac{200}{185} \times$ £$46\frac{1}{4}$

$= \frac{200}{185} \times \frac{185}{4}$

= £50

	£	s.	d.
Now 2nd S.P. =	51	10	0
$\therefore$ Gain =	1	10	0 on £50
i.e. =	3%		

Alternative Method—
Let C.P. = 100
Then 1st S.P. = $92\frac{1}{2}$ and = £46 5 0
2nd S.P. = 51 10 0

$\therefore$ 2nd S.P. $= \frac{51\frac{1}{2}}{46\frac{1}{4}}$ of 1st S.P.

$= \frac{51\frac{1}{2}}{46\frac{1}{4}}$ of $92\frac{1}{2}$ per cent.

$= \frac{206}{185} \times \frac{185}{2}$

= 103

$\therefore$ Gain on C.P. of 100 = 3
i.e. there is a gain of 3%.

A tradesman reckons his profits as a percentage of the selling price. He desires to know what fraction (or percentage) of the cost price must be added to effect this. Suppose he wishes to make a profit of 20 per cent. on the turnover.

Here the turnover or selling price is made up of the profit and the cost price. As he makes a profit on the selling price, let the S.P. be 100; then the profit is 20.

Hence S.P. (100) = { Profit (20) / Cost (80) }

$\therefore$ Profit = $\frac{20}{80}$ of Cost Price
= $\frac{1}{4}$ = 25 per cent. of C.P.

$\therefore$ $\frac{1}{4}$ of the cost price (or 25%) must be added to make a profit of 20 per cent. on the returns.

We have noticed that business men often allow a discount for cash. When this is treated as a percentage, it is calculated on the marked or invoice price. This discount must be taken into account when fixing the marked prices of goods, if a certain rate of profit is to be obtained.

EXAMPLE. A bicycle cost 10 guineas. At what price must it be marked so that, after allowing a discount of 10 per cent. off this price, the retailer may gain 5 per cent. on his outlay ?

The retailer wishes to gain 5 per cent. on the cost price.

$\therefore$ If C.P. = 100 S.P. = 105
i.e. C.P. = $\frac{100}{105}$ of S.P.; S.P. = $\frac{105}{100}$ of C.P.

Now let the marked price (M.P.) = 100; when discount = 10 and S.P. = 90—
i.e. M.P. = $\frac{100}{90}$ of S.P.; S.P. = $\frac{90}{100}$ of M.P.

We require the marked price in terms of the cost price. We know the marked price in terms of the selling price, and the selling price in terms of the cost price.

M.P. $= \frac{100}{90}$ of $\boxed{\text{S.P.}}$

But S.P. $= \frac{105}{100}$ of C.P.

$$\therefore \text{ M.P.} = \frac{100}{90} \text{ of } \boxed{\frac{105}{100} \text{ of C.P.}}$$

$$\frac{\cancel{7}}{\cancel{90}} \times \frac{\cancel{105}}{\cancel{100}} \times \frac{21}{\cancel{2}} \text{ £'s}$$
$$\cancel{6}$$

= £12 5s. 0d.

Marked Price	=	£12	5	0
10% discount	=	£1	4	6
Selling Price	=	£11	0	6
Cost Price	=	£10	10	0
Profit	=	£0	10	6

$$\therefore \text{ profit per cent.} = \frac{£0\ 10\ 6}{£10\ 10\ 0} \times 100$$
$$= 5$$

MIXTURES.—The mixing or blending of certain articles is a very common practice. We are frequently asked to determine in what proportion goods of different qualities and prices should be mixed to produce a mixture of a given value. The more common practice is, however, to mix the varieties according to certain determined proportions and then estimate the cost of the mixture. In this latter case, the proportions taken depend less on the prices and more on the qualities of the ingredients.

EXAMPLE. In what proportion should teas at 1s. 6d. and 1s. 11d. be mixed that the mixture may be worth 1s. 8d. per lb. ?

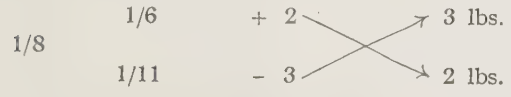
The mixture is worth 1s. 8d. per lb.

∴ On every lb. of the cheaper tea in it there is a gain of 2d. ;

and on every lb. of the dearer tea in it there is a loss of 3d.

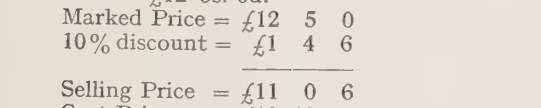
We are required to mix these teas in such a way that the excess in the one case balances the defect in the other (i.e. there shall be neither gain nor loss on the mixture). We notice that if we take 3 lbs. of the cheaper tea, we shall gain 6d. ; and if we take 2 lbs. of the dearer, we shall lose 6d. Therefore the weights taken are inversely as the numbers expressing gain or loss.

This might be expressed as follows—



EXAMPLE. It is required to mix coffee at 1s. 10d. and 1s. 4d. per lb. with chicory at 5d per lb., that the mixture may be worth 1s. 8d. per lb. In what proportion should they be mixed ?

In this example there are three ingredients, but the procedure will be the same as before. Place the cost of the mixture on the left-hand side and arrange the prices of the ingredients in the next column, setting down the prices which show a gain above and those which show a loss below. First, calculate the proportions of two by taking one loss with one gain ; then deal similarly with the others until all the prices have been treated. In cases where there are three or more ingredients, there will be more than one solution.



The mixture could, therefore, be made up of 19 lbs. at 1s. 10d. per lb., 2 lbs. at 1s. 4d. per lb., and 2 lbs. of chicory at 5d. per lb.

EXAMPLE. A grocer buys teas at 1s. 6d. and 2s. 4d. per lb. In what proportion should he mix them that by selling the mixture at 2s. 6d. per lb. he may make 20 per cent. profit on the outlay ?

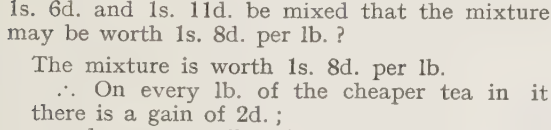
Here we are given the selling price of the mixture and the cost prices of the ingredients. We must represent these prices either as cost prices or selling prices. It is better in this case to obtain the cost price of the mixture rather than the selling prices of the constituents.

The grocer makes a profit of 20 per cent. on the cost price.

Let C.P. = 100, then S.P. = 120

$$\therefore \text{ C.P.} = \frac{100}{120} \text{ of S.P.}$$
$$= \frac{5}{6} \times 2/6$$
$$= 2/1$$

Arranging as before—



(i.e. 3 lbs. at 1/6 per lb., with 7 lbs. at 2/4 per lb.)

EXERCISE I.

1. A dealer gains 10 per cent. on the cost price by selling a bicycle for £8 5s. At what price would he have to sell a similar machine in order to gain 15 per cent. ?

2. How many pounds of tea at 1s. 6d. per lb. should be added to 25 lbs. at 2s. 6d. per lb., so that by selling the mixture at 2s. 1d. per lb., a gain of 25 per cent. may be made on the outlay ?

3. A man bought 96 yds. of silk and sold 12 yds. at a gain of 5 per cent. on cost, 57 yds. at a gain of 10 per cent., and the remainder at a loss of 15 per cent. In all he received £24 7s. 3d. Find the cost price per yard.

4. A tradesman calculates his profits as a percentage of the selling price. At what price must he mark a bicycle which cost £6 8s. 3d., that he may allow a discount of 5 per cent. and still make 10 per cent. profit ?

HANDWRITING

Continued from page 357

LESSON IX.

Before commencing your work, note carefully all previous directions with respect to position. Cultivate the habit of keeping your feet flat on the ground and sitting as erect as possible, and thus save yourself much unnecessary fatigue.

LINE 3. Aim at making one *f* as much like another as possible. Of all the small letters, as previously stated, this one gives most trouble, and frequently is the cause, along with other looped letters, of spoiling the general effect of one's work. If the looped letters are written small, they are easier to do, and contribute to making the writing look neat in appearance.

LINE 8. In this line, *m* and *n* are written together. Write them so that they will appear as two distinct letters, easy to read.

LINE 10. Make a clear loop to *e*, so that there will be no danger of confusing it with *i*. Let *i* be dotted at the same slant as the writing.

EXERCISE IX.

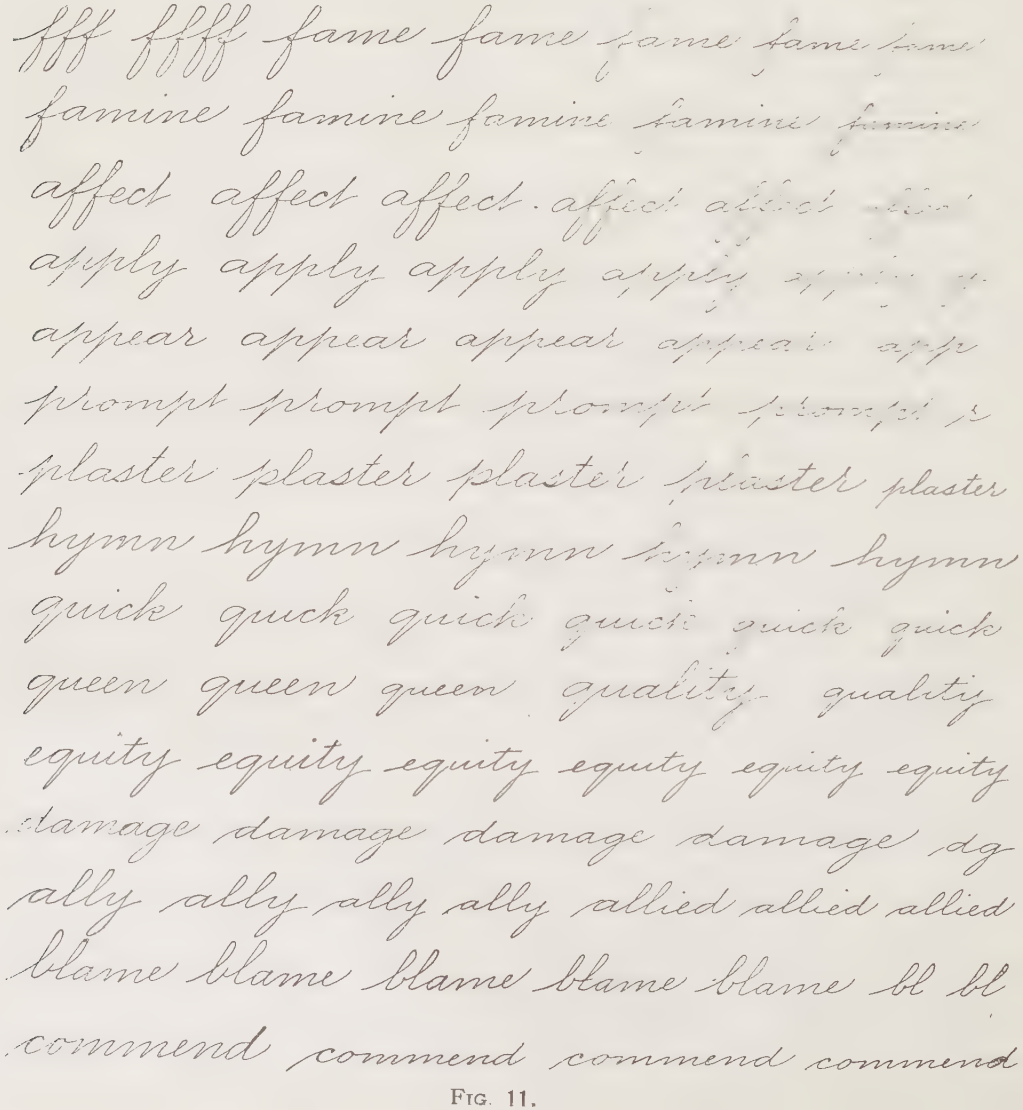

fff ffff fame fame fame fame fame
famine famine famine famine famine
affect affect affect affect affect
apply apply apply apply apply
appear appear appear appear appe
prompt prompt prompt prompt p
plaster plaster plaster plaster plaster
hymn hymn hymn hymn hymn
quick quck quick quick quick quick
queen queen queen quality quality
equity equity equity equity equity equity
damage damage damage damage dg
ally ally ally ally allied allied allied
blame blame blame blame blame bl bl
commend commend commend commend

FIG. 11.

Any reply to this communication should be addressed to:—The Postmaster, District Post Office, Eversholt Street, N.W., quoting No. I.T.B. 3007 (130)

NORTH WESTERN DISTRICT POST OFFICE,

EVERSHOLT STREET, N.W.8

7th February, 19...

Sir,

With reference to your letter of the 5th inst. I am directed to inform you that the Heaton Norris Post Office closes at 10 a.m. on Sundays, and that consequently the telegram in question could not be delivered, under the ordinary arrangements, until the office re-opened at 5 p.m. the same day.

I am, Sir,

Your obedient servant,

Assistant Postmaster.

J. Littlefield, Esq.,

Barton House,

Finchley,

London, N. W.8

J. Littlefield, Esq.,

Barton House,

Finchley,

LONDON, N.W.8

No. I.T.B. 3007
(130)

Miss H. Maude,

21 Henley Road,

S P O N D O N.

H. 54/512.

THE BLANKSHIRE EDUCATION COMMITTEE

Letters should be addressed
THE EDUCATION OFFICER,
EDUCATION OFFICES,
SPONDON.
They should show the complete postal address and designation of the writer, and should as far as possible, relate to one subject only.

Education Offices,

Spondon.

28th June, 19__.

PLEASE QUOTE AT THE HEAD OF ANY REPLY

H. 54/512.

Dear Madam,

I have to inform you that the Committee has appointed you as visiting teacher of dressmaking for two hours a week at the Girls' County School, Spondon, at a rate of payment of 5/- an hour. The appointment is to take effect as from the 25th August next, and to be subject to the conditions that you shall be paid only for actual work done, and that you shall have no claim on the Committee, either for work or for payment, in the event of its being found that your services are not required, and that you shall not on retirement claim or be entitled to any pension or retiring allowance under the Superannuation Act, 1866.

I shall be glad to hear that you accept the appointment on these conditions, and I enclose a form for your signature.

Yours faithfully,

Education Officer.

Miss H. Maude,
21 Henley Road,
S p o n d o n.

TYPEWRITING

Continued from page 359

LESSON IX.

The letters given in Exercises 15 and 16 are model letters of those given in Exercises 13 and 14. The student should compare the letters typed from Exercises 13 and 14 with these models, and then re-type the letters, in order to acquire a good style of display ; but, in doing so, scope may be allowed for individual taste, as the models need not necessarily be slavishly followed, but are intended rather to enable the student to form some idea of the general symmetry of a letter.

It will be noted that in these model letters the right-hand margin, as well as the left, is practically *uniform*. This is, however, not always possible, although it should be borne in mind, when typing, as a little judicious spacing, such as an extra space after a punctuation mark; or two, instead of three, spaces at the end of a sentence, will often prevent an unsightly gap at the end of a line.

There is also another object in re-typing these letters, namely, to enable the student to become *thoroughly* familiar with the tapping out of the words which they contain.

Exercise 15.

Carefully type the letters dated 24th and 28th September, on quarto paper ; address the necessary envelopes ; sign, and press copy the letters. Compare with those you have already typed ; note any improvements in style or otherwise, and put such improvements into practice when typing future correspondence.

[Note. For considerations of space, it has been necessary to show the letter below with *single* spacing. This should be typed with the *double* spacing.]

Exercise 16.

Follow the same procedure with the letters dated 30th September and 3rd October as in the previous Exercise.

The Royal Seed Stores,
READING.
24th Sep., 19..

J. Lloyd, Esq.,
The Ferns,
LETCHWORTH.

Dear Sir,

I thank you very much for your kind order, which I have duly dispatched, and I beg to enclose herewith receipted invoice.

In answer to your inquiries, it is just as well to break off weakly shoots, leaving only one or two strong shoots at the top of the tuber; any others are superfluous, and yield only small potatoes.

With regard to the manure, I enclose a leaflet, in which you will find full directions.

Assuring you of my best services at all times,
I am, Yours faithfully,

1 Enclosure.

COMMERCIAL HISTORY

Continued from page 362

LESSON VIII.

ECONOMIC POLICY AND REGULATION OF TRADE (*continued*).—The landlords had tried to resuscitate the old system of labour dues, but had failed: conditions were against them, and the commutation of services went on apace after the Black Death.

Nevertheless, there was discontent among the labouring classes, particularly among the villeins, who tried to shake themselves free from the obnoxious obligations to their lord. The opportunity for voicing their discontent came in 1380, when Parliament voted a poll tax upon all above fifteen years of age to meet a serious deficit in the national finances. This tax involved a detailed inquiry into the nature of every person's property. This was resented, and the Peasants' Revolt of 1381 resulted. The revolt was suppressed, and the peasants were thrust back into their old villeinage from which they had tried to escape.

Other forces had been at work contributing to the general confusion of the second half of the fourteenth century. The woollen industry had ranked next after the provision of food-stuffs, as the most important industry from the time of the Norman Conquest. The manufacturing branch had been assisted by the immigration of Flemings in the reign of the Conqueror, but much more so by a further immigration between 1330 and 1340. English wool, moreover, was much esteemed on the Continent, and a rapidly-growing export trade in wool had been developed. The fact that wool found such a ready market led, in the fourteenth century, to the enclosing of fields for sheep raising and to a consequent depopulation, for sheep farming required more area but less labour than tillage. This transition was partly accelerated by the dearth of labour created by the Black Death, and helped to meet the difficulties created by that dearth. The transition went on until well into the sixteenth century, leading to the turning of labourers off the land and to the creation of bands of "sturdy beggars," with which statesmen tried to deal in the sixteenth century.

But Parliament, in the fourteenth century, was not concerned merely with internal economic affairs. The export trade in wool was constantly being the subject of regulation, and this regulation brought England into contact—frequently into conflict—with foreign countries. In connection with this export trade, notice should be taken of the regulation of the staple. It will readily be seen that the taxes upon any commodity are more easily collected if trade in that commodity is conducted through one or a few supervised channels. It was the object of the staple to secure this. Edward I had tried to achieve the object by naming particular ports through which all wool had to be exported; and Edward III extended the application of the idea by establishing the staple in 1313, though there had probably been some similar organisation at an earlier date. The staple was a market, or town, at which all the wool exports were to be sold. The town thus selected gained in importance, and the merchants were doubtless compensated for the disadvantages thus imposed upon them, by the grant of trading privileges and protection. The merchants of the staple had, for example, their own jurisdiction outside the local justice and law. From time to time, the staple was changed: at times it was abroad; at times it was an English town; sometimes the trade was thrown open to all towns.

Another act of the central government should be noticed—the passing of the Navigation Act in 1381, designed to promote the shipping and shipbuilding industries: "To increase the Navy of England which is now diminished, it is assented and recorded that none of the king's liege people do from henceforth ship any merchandise in going out or coming within the realm of England, in any part, but only in ships of the king's liegance," under penalty of forfeiture of goods shipped in other vessels, the third part of which was to go to the informer. Apparently, however, the Navy was so far diminished, that the statute could not be enforced; and an explanatory clause was added in the following year to the effect that English ships when "able and sufficient" should be preferred "before all other ships."

A further condition was added in 1390, from which it appears that the shipowners had taken advantage of their monopoly to charge exorbitant rates, instead of being satisfied with "reasonable gains." This Navigation Act was extended from time to time, notably in 1651 and 1660. It doubtless did something to secure the objects the promoters had in view, but at some cost. They considered the burden not too heavy in view of the gains. England was often fighting for national existence and, later, for equality among nations, and their aim was the development of power rather than the accumulation of wealth. To this end all their policy was directed. Other aspects of the policy will be described later. Meanwhile, we may notice that the Navigation Act is one of England's first attempts in the bid for commercial supremacy.

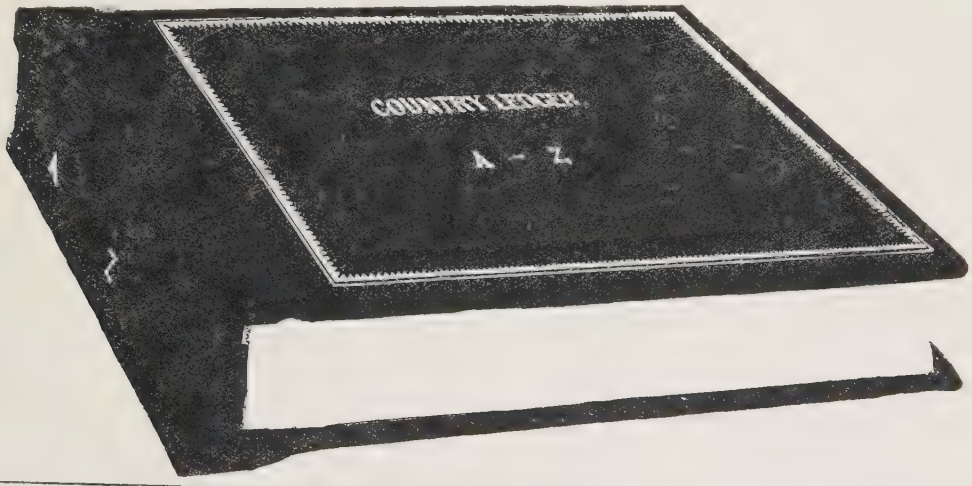
OFFICE ORGANISATION AND COUNTING-HOUSE ROUTINE

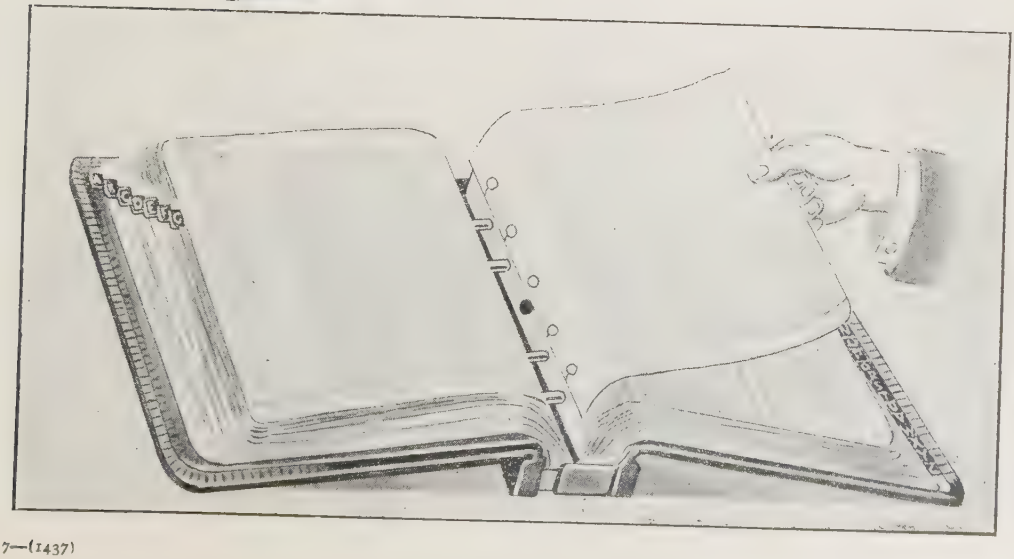
Continued from page 365

LESSON VII.

LEDGER.—The Ledger is by far the most important book in the English system of book-keeping; and in large counting-houses it is necessary to keep the Ledger in sections, so that the work may be suitably sub-divided, and clerks may be employed concurrently upon the work of posting, taking out accounts, abstracting balances, etc. By means of sectional balancing, each Ledger or set of Ledgers may be proved and errors at balancing time located. "Total Debtors" and "Total Creditors" Accounts exist in the general or private Ledgers, made up from the totals of the various Day Books, and these present to the accountant a summary of the contents of the Ledgers in the hands of the Sales Ledger clerks and Purchase Ledger clerks. The schedules of balances submitted by the latter individuals must agree in total with the figures represented by the balance of the Total Debtors and Total Creditors Accounts. The financial state of the concern can be arrived at by the accountant without waiting for the detailed schedules, and a "bird's-eye" view of the account-keeping is thus afforded by the summaries. General Ledgers and Share Ledgers are also proved by similar means.

Loose-leaf and Card Ledgers. Loose-leaf and card Ledgers are coming to the front, and are being largely adopted in this country. Dead





matter can be removed with ease and, being self-contained, the system is capable of expansion. The leaves or cards, as the case may be, may be arranged in strictly alphabetical order, and, therefore, laborious indexing is avoided. Reference is facilitated by the perfect index; and, as extra cards and leaves may be added to any particular account, much time is saved by the fact that transfers to other Ledgers are avoided.

Filled leaves can always be removed and suitably stored away, reducing the bulk of the Ledger to what is absolutely necessary for the current accounts. As the Ledger consists of "live" matter only, monthly statements may be written out with the utmost rapidity.

The Ledgers above described are also known as "perpetual," and improved forms are frequently brought out by enterprising firms of account book manufacturers. The card Ledgers have the cards running on rods, with a locking arrangement, and the loose-leaf Ledgers have also a permanent cover with locking apparatus. At first, certain objections were raised to these "perpetual" Ledgers, as it was considered that fraud would be assisted by their use; but these objections have, to a very great extent, been met.

THE PAYMENT OF WAGES AND SALARIES.—Broadly speaking, wages are the sums of money paid to the workers in the factory, and salaries the amounts paid to the members of the staff, irrespective of the magnitude of the figures; therefore, in the book-keeping sense, the office boy's earnings are dignified with the title of "salary." The rough basis is this: wages are looked upon as productive and entering into the cost of the articles manufactured; the amounts fluctuate according to the output, and consequently the total appears in the Trading or Manufacturing Account of the business; whereas, to a great extent, salaries paid to the staff remain constant, and are known as "fixed charges." A few more words upon this matter will make the meaning clearer. When a great number of orders are on hand and they have to be executed in a reasonable time, more workmen will be employed, or perhaps those already in the factory will be on overtime, and the wages bill goes up in consequence—it varies according to the turnover; but the office staff will probably be working at high pressure or staying a little late in the evening to cope with the increased correspondence and book-keeping at no greater cost to the firm; or if the latter, in the "goodness of their heart," employ an extra clerk or so, the salaries account does not show any appreciable difference. Generally speaking, the establishment or fixed charges figure in the Profit and Loss Account, and represent the cost of distribution and administration; and in many cases are almost the same year after year, unless the business develops rapidly.

Piece-Work Basis of Payment. Wages may be paid in connection with either new work or repairs to articles, and peculiarities exist in every business. As a rule, it is found that the most satisfactory basis is one founded on some form of piece-work. It is sometimes seen that a very good and satisfactory method is to combine both day and piece-work; this would be done in a manner similar to the following: The man is guaranteed a minimum weekly wage, provided he works the requisite number of hours. Then work is given out to him which has been priced by a man called a "rate-fixer." The "rate-fixer" knows from experience how long a job should reasonably take, and then it is the endeavour of the workman to do at least sufficient work to cover his minimum or day wage. If he turns out more articles than this, he earns what is known as "balance," and he gets the extra money accordingly; but if he falls behind the quantity set forth by the rate-fixer, he gets "into debt," and this "debt" is deducted from any future "balance" which he may afterwards earn. To work this system thoroughly, it is obvious that the works manager and rate-fixer must be quite competent, and must be fair and just in their treatment of the men; otherwise the various workshops will constantly be "in debt," and complaints will be heard on every side. The manager and rate-fixer must be tactful in their treatment of so-called "lean" jobs, and must not move the rates about unnecessarily, causing disagreement and friction.

To guard effectively against slovenly work being done under piece-work systems, it is usual for the articles to be passed into an inspection or view-room, and especially is this the case with some of the large motor-car and engineering works of the country. In connection with the view-room, there will be clerks working under the direction of the works manager, making out the labour receipts (i.e. the notes authorising the payment of wages). As before-mentioned, the wages may be for new work or for repairs; and it facilitates matters to have cards printed in different colours for the various kinds, as also for the making up of parts, fitting and assembling, experimental work, maintenance of works, plant, tools, etc. It will readily be understood that a very large amount of capital has been expended in expensive machinery and tools, and the advantages of the piece-work and premium systems of wages to the employer include the increased turn-out (output) with the same capital expenditure or investment.

Premium System. The premium system is in use in many workshops in America and also in this country, and works satisfactorily. Each man is paid a regular time rate of wages; but when a job is given out, a certain time is allowed for each operation to be completed; if it is completed in less time, the workman is entitled to a premium (or payment in addition to the time rate) varying in amount according to the time saved. There are

several premium systems in operation, the objects in each case being to increase production, to increase wages and thus stimulate the employees to take increased interest in their work, to produce a wider margin between productive wages and production.

The first of the premium systems was introduced in 1890, and is known as the Halsey premium system. Under it the workman is paid for saving time and the employer benefits by sharing the direct time saved and also by a reduction of overhead expense charges per unit of output. The Rowan premium system is somewhat similar to the Halsey system, though somewhat more generous to average employees. A time limit or time standard is given for the work, premium payment is made for part of the time saved, and actual time taken is always paid at the hourly rate. There are several other premium and bonus systems in use at the present time. It should be noted that when a new method of payment of wages is adopted, it is necessary to take the employees into the firm's confidence, and to explain thoroughly the system proposed before putting it into operation. Many firms issue a description of the method of payment and of its effect, in pamphlet form, emphasising most strongly that time wages will remain unaltered, and that the premiums are extra payment for extra services.

Calculation of Wages. The calculation of wages is, therefore, not one of the simplest of operations; and whichever system or systems may be in vogue, such must be thoroughly understood by the wages clerks. Furthermore, the work of this section has been considerably increased by the provisions of the National Health and Unemployment Insurance Acts. (See pages 180, 230, 273, etc.)

Insurance Deductions. As is generally known, certain deductions for insurance are made from the wages and salaries paid to employees, and reference should be made to the Lessons on Insurance in this connection. The employers affix stamps of certain values to the insurance cards of the workpeople and staff, who bear part of the cost themselves.

The deductions from wages each week may be dealt with in total as a receipt in the Cash Book and posted to the credit of National Health Insurance Account in the General Ledger, and the amount expended in stamps each week as an item on the contra side of Cash Book and posted to debit of the account, the difference or balance being the net cost of insurance for the year when the final figures are taken out at stocktaking. The writer kept separate totals each week for various departments of the works—departmental accounts being kept throughout the financial books—and also for the different sections of salaries, so that a summary could be constructed and the exact amounts charged to the departments.

Other Wages Deductions. There are other deductions from wages besides those for insurance. There are, for example, those in existence at collieries, where the wages are made up for a fortnight at a time, and the men are allowed to draw a certain amount on account at the alternate week-end. The amount to be paid is arrived at from the records of a weigher on behalf of the colliery proprietors and a "check-weighman" on behalf of the men, deductions from wages in agreed proportions being made to provide his remuneration. There are also such deductions as contributions to hospitals and rents of cottages; but the provisions of the Truck Acts have to be borne in mind with regard to such matters as deductions for bad or negligent work and fines. The first-named deductions are legal only if specified in the contract, and those for fines must be either stated in the contract or set out in notices in or about the workshop.

By the provisions of the Truck Acts, all deductions from wages must be fair and reasonable, having regard to the circumstances of the particular case. The employer must not make a profit from any fines imposed. A register of all deductions must be kept.

Methods of Payment.—Different industries have different methods of paying wages. In some industries and in the lower grades of labour a weekly wage is paid, but based on an hourly rate, and the wage books and records to be kept will depend in the main upon custom and the nature of the business. For example, the same type of book and the same rulings would not be suitable for a business in which time is deducted for late arrival at work, or temporary absence from work, as would be suitable in a business in which a weekly wage is independent of absence or late arrival. Thus, some establishments pay the full week's money even though the employee may have been absent for half or a whole day, whereas in a factory employing a considerable number of hands, this policy would not be satisfactory. Certain general rules, however, can be laid down, applying particularly to factory wages. The wages may be placed in envelopes, bearing the employee's name and number, or in small tins bearing numbers. It is well for wages to be paid expeditiously, and with this end in view the arrangement in a large factory is for the operators to line up in consecutive order according to their respective clock numbers, present their cards and, upon receiving their wages, file out of the factory. The work of the pay clerk is not finished with the payment of the wages, as he has to dissect those wages in order that the costing department may be able to apportion the various charges.

AUDITING

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LESSON V.

We shall assume at this stage that the auditor has concluded much of the detail work, including the ledger addition or casts, that he has seen that all the balances in the books are carried down in ink, that he has "checked them off" with the list of balances, and that he has observed the due exhaustion of the balances in the schedules of debtors and creditors and other groupings. We may now proceed to notice the Trading and Profit and Loss Accounts and the Balance Sheet. At the outset it may be stated that no trading or manufacturing account is published (though prepared often in great detail for the use of the heads of the departments concerned and the information of the directors), the commencing item in the Revenue Account or Profit and Loss Account being the balance of the Trading Account, or gross profit or loss as the case may be. The sales the auditor will have previously examined, and we need not add anything to what we have already indicated on the subject beyond stating that he will satisfy himself as far as possible that no sales are duplicated in the stock. He will have examined also the purchases, freights and other items of gross charge, observing that the principle of the valuing the stocks at the commencement and end of the period is identical. In all cases, and particularly in those instances in which commissions or profit are payable, the auditor will examine with the utmost care the stock sheets, knowing the inflammatory effect of inflated stock. The stock sheets should be adequately certified, and if the quantities, prices, amount, extensions and casts have not been effectively checked, he should see that this is done. In certain or given circumstances the stock can be sufficiently verified by independent evidence. He should also see that the commissions allocated have been determined in precise accordance with the agreements between the company and the parties concerned. The following point may be noted—

A commission of 10% on net profits is payable to B. The profit as shown by the Profit and Loss Account is £1,000 before charging the commission, which, in accordance with the agreement, is to be deducted in arriving at the sum upon which the 10% is to be calculated.

Here 100% + 10% = £1,000

∴ 10% = £90·9090, the amount of the commission, or $\frac{100}{110}$ of £1,000 = £909·0909, the net profit. Therefore,

	£
Net Profit	909·0909
10% Commission thereon ..	90·9090
Gross Profit	1000·

In some cases, it is necessary to exclude certain forms of either income or expenditure from the commission account in order to give due effect to the agreement.

The auditor should scan the records at the beginning of the ensuing period to see that no invoices fairly chargeable to the period under audit have been omitted. For the wages, and materials charged to production and revenue he will probably have access to certified wages and materials allocated statements.

With regard to the stocks of consumable stores, it is customary in some businesses to prepare periodical statements on the lines of the following, to which the auditor will have access, and which he he may utilise for the purpose of check in several directions.

	£ s. d.		£ s. d.
To Stock of new materials on hand at commencement of period		By Issues of new stores during the period—	
To Stores debited by London office (as per details attached)		Capital / Revenue / Sales A/c at cost } as per supplemental allocations	
Total new stores		Total new Stores	
To Stock of old materials at commencement of period		By Issue of old stores during the period—	
„ Old Stores re-entered during the period		Capital / Revenue / Sales A/c at cost } as per supplemental allocations	
Total old stores		Total old Stores	
		Aggregate	
Aggregate		By Balance—	£ s. d.
		New Stock	
		Old Stock	

BANKING

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LESSON VI.

DEVELOPMENT OF BILL OF EXCHANGE.—Now comes the next stage in the development of the bill of exchange. The wholesale merchant delivers his goods with the "order to pay" to the retail dealer; but if the transaction stops there, he has no security that the latter will not dispute his liability when the time for payment comes. Accordingly, he will require the retail dealer's assent to the document. This it became customary for the latter to give by signing his name across the face of the "order to pay," to signify that he agreed to the terms of the order and bound himself to pay the sum named when payment became due. In so signing his name, the drawee of the "order to pay," or bill of exchange, as we may now call it, was said to "accept" it, and became the "acceptor" of the bill. When the drawee had accepted the bill, he returned it to the drawer, who kept it until the date of payment or "due date"; he then again took it to the acceptor and "presented it for payment," that is, demanded payment in accordance with the terms of the bill.

We have still one stage of development to consider before our "order to pay" becomes a fully-fledged bill of exchange. We may suppose that at first the drawer of the bill would name in it, as the person to whom payment was to be made, either himself, or, if he expected to be away on his travels by the time the bill became due, a friend whom he could trust to receive the money and keep it for him; but before the bill became due it might be found necessary to change the payee. The person named in the bill as payee might for some reason be unable to present the bill to the acceptor when due, or he might desire to pass it on to someone to whom he himself owed money, who would receive the sum named in the bill in payment or part payment of the debt due to him. Consequently, the custom arose of the payee naming someone else to receive payment of the bill in his stead by writing and signing, on the back of the bill, an instruction to the acceptor to pay it to this other person instead of to himself. To provide for this possibility, bills were made payable to so-and-so "or order," thus enabling the payee, if he wished, to nominate someone else to receive payment by indorsing the bill "Pay to the order of——," and appending his signature. This nominee of the payee—the indorsee, as he is now called—might likewise transfer his right to receive payment by a similar process. Thus there might be a string of indorsements on the bill. The last indorsee, or the payee—if the bill had not been thus transferred before presenting it for payment—would indorse it as an acknowledgment of the receipt of the money from the acceptor. This, however, was not the only method which was invented to render a bill transferable. It became customary, as an alternative, to make bills payable to "bearer"; and in this case the bearer of the bill, whoever he might be, was entitled to receive payment, and indorsement was unnecessary.

DAYS OF GRACE.—We may here mention another ancient custom in regard to bills of exchange which has survived in this country, though not in most others. This is the institution of "days of grace." When the acceptor of a bill failed to pay it at maturity, it was customary to allow him three "days of grace," in which to find the money before resorting to legal proceedings in order to obtain it. This custom has received legal sanction in the United Kingdom, and a bill is not payable and is never presented until the last of the three days of grace. This applies to all bills, except those payable on demand.

BILLS OF EXCHANGE ACT, 1882.—We may now turn to the practice in regard to bills of exchange as it exists in England to-day. This is largely regulated by the celebrated Bills of Exchange Act of 1882, which codified the existing law on the subject, and embodied a large volume of custom which had up to that time found no place in the statute book.

DEFINITION.—A bill of exchange is defined by this Act as—

> "an unconditional order in writing addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand, or at a fixed or determinable future time, a sum certain in money to, or to the order of, a specified person or to bearer."

In the light of the foregoing sketch of the evolution of the bill of exchange, this definition should be fairly clear. It may be noted that a bill of exchange must be unconditional. An order to pay on the happening of a certain event, such as the receipt of goods or documents, would not be a bill of exchange.

Bills of exchange are of two classes: (1) Inland bills; (2) foreign bills. An inland bill is one (*a*) drawn and payable in the British Islands, or (*b*) drawn in the British Islands on some person resident therein. Any other bill is a foreign bill.

INLAND BILLS.—An inland bill is usually drawn after the model shown on the next page. In order to make quite clear the various stages that an ordinary bill passes through in the course of its career, we will take a concrete example. Suppose that Messrs. Robinson Brothers, of Fore Street,

Manchester,

£105 : 2 : 6. **May 7th, 19...**

Stamp. 2s.

*Three months after date, pay to the order of*_____**Ourselves**_____ *the sum of* **One hundred and five pounds two shillings and sixpence** *for value received.*

Messrs. Robinson Brothers,
Fore Street,
London.

Lambert & Co.

London, have purchased from Lambert & Co., of Manchester, a quantity of cotton goods; and that in accordance with the arrangements under which the two firms do business, Lambert & Co. draw on Robinsons' for the value of the consignment at three months' date. In the first place, Lambert's will have to get the paper on which the bill is to be drawn stamped with an impressed bill stamp of value depending on the amount of the bill: in this case, 2s. The bill, which is usually drawn on a printed form, will then be filled up and signed, as in our example.

The next step will be for Lambert & Co. to get the bill accepted by the drawees. The usual method by which this is effected is for Lambert's to deposit the bill with their bank in Manchester. The Manchester bank will then send the bill to the bank which acts as its agent in London, which will present the bill at Robinson Brothers' office. If the bill is in order, Robinsons' will accept it, and the London bank will return it to the Manchester bank, which will hold it on behalf of Lambert's until it is due. It may happen, however, that Lambert & Co. may require the money represented by the bill before it becomes due. In this case, they may sell the bill or have it "discounted" with their bank, which will then at once credit Lambert's account with the amount of the bill less a small sum called "discount," and hold the bill on its own behalf. In either case, the Manchester bank will hold the bill until a day or two before it is due, when it will again send it to the London bank, which will collect it, crediting the proceeds to the account of the Manchester bank. If the bill has not been discounted, the Manchester bank will, on receiving advice from London of the payment of the bill, credit Lambert & Co.'s account with the amount which they can then draw if they wish. If Lambert's have discounted the bill with the bank, the proceeds will belong to it, and it will keep as its profit the difference between the amount of the bill and the amount with which it credited Lambert's at the time it discounted the bill.

ACCEPTANCE.—In accepting a bill, it is sufficient for the drawee simply to sign his name on the bill. In that case, the bill will, when due, be presented to him at his own address for payment. It is usual, however, to accept bills payable at a bank. If this course be adopted, the bill will be presented for payment at the bank at which it is made payable, and the bank will then pay it if it is in order, debiting the acceptor's account with it. When thus accepted, the bill will appear as follows—

£105 : 2 : 6. *Manchester,* **May 7th,** 19...

Stamp. 2s

*Three months after date, pay to the order of*_____**Ourselves**_____ *the sum of* **One hundred and five pounds two shillings and sixpence** *for value received.*

Messrs. Robinson Brothers,
Fore Street,
London.

Lambert & Co.

It may be noted that when a bill is drawn "after date," it is not necessary to date the acceptance. If, however, a bill is drawn payable, say, three months or ninety days after sight, the acceptor must state in the acceptance the date when he accepted it. The due date of the bill will then be three months and three days, or ninety-three days after the date of acceptance. "Months" always means calendar months. A bill drawn "three months after date" and dated March 10th, will be due on June 13th; bills drawn "six months after sight" and accepted either on the 28th, 29th, 30th, or 31st of August, will all be due on March 3rd (unless it be Leap year), because six calendar months from each of the four last days in August is the last day of February (i.e. 28th), the addition of the three days of grace making the due date March 3rd.

FOREIGN BILLS.—Most of the foregoing remarks apply as well to foreign bills as to inland bills. There are, however, two important points of difference between the two classes of bills. In the first place, the duty on a bill drawn abroad is denoted by an adhesive foreign bill stamp affixed by the first person, in the United Kingdom, into whose hands the bill comes; not, as we have seen in the case of an inland bill, by an impressed stamp which must be stamped on the bill by the Inland Revenue authorities before the bill is issued. In the second place, foreign bills of exchange are usually drawn in sets of two or three; that is, the drawer of the bill makes two or three copies of it, only one of which is accepted by the drawee and only one of which needs to be stamped. The set constitutes, in fact, one bill, and each part must bear a number and contain a reference to the others. The wording of a foreign bill is usually in accordance with the specimen on the next page.

£500. *Santos,*
March 2nd, 19 . .

Three months after sight pay this First of Exchange (Second and Third of same tenor and date unpaid) to the order of **The Anglo-Brazilian Bank** *the sum of* **Five hundred pounds sterling** *for value received.*

Messrs. Grosswort & Co.,
London. **Maxmilian & Co.**

The other bills of the set will be identically worded, except that, of course, the words "first" and "second" and "first" and "third" will be interchanged in the second of exchange and third of exchange respectively.

The device of drawing bills "in a set" serves two different purposes. In the first place, if one copy is lost in transit, the second one will in all probability arrive safely to take its place. For this reason, it is customary to send the two copies by different mails. In the second place, one copy may be sent off at once to be accepted by the drawee while the second is being "negotiated," that is, being sold and re-sold and indorsed by one person to another. Thus, to take the case of our bill for £500 drawn from Santos, the payees might desire to remit the bill to their Paris agents, in order that it might be discounted and the proceeds credited to their account with their agents there. In this case, the Anglo-Brazilian Bank would send the first of exchange to their London house for it to procure the acceptance of the drawees, indorsing the second to the order of the Banque Française du Brésil, its Paris agents, and sending it to them. The latter bank would then indorse the second of exchange and send it to *its* London agents who would obtain the accepted first of exchange from the London house of the Anglo-Brazilian Bank, attach the accepted first to the indorsed second, and on the date of maturity present them for payment. As the bill was drawn payable three months *after sight*, it is important that it should be accepted on the earliest possible day, so that by sending the first direct to London several days were gained. If a third of exchange were issued, it would probably be sent to London by the next mail after that by which the first went, to be used in case the latter was lost. If the first arrived safely, the third would not be used at all, though the second would still be necessary, as it alone would bear the complete string of indorsements. In order that the London agents of the Banque Française du Brésil, the holders of the bill, might know from whom they were to obtain the accepted first, the second would probably be marked: "First for acceptance with the Anglo-Brazilian Bank, London."

INDORSEMENTS.—A bill is indorsed in just the same way as a cheque, which is defined in the Bills of Exchange Act as a bill of exchange drawn on a banker and payable on demand. The remarks on the subject of indorsement of cheques accordingly apply to all bills of exchange. It is important to note, however, that in the case of a bill accepted payable at a bank by a customer, the banker is not protected, as he is in the case of a cheque (see *ante*) from the consequences of paying it, if it bear a forged indorsement. In the case of a cheque, the bank incurs no liability, but in the case of a bill it is liable to the rightful owner. It is the custom, therefore, to scrutinise the indorsements on a bill rather more carefully than those on a cheque.

NOTING AND PROTEST.—If the drawee of a bill refuses to accept it when presented to him for acceptance, or if the acceptor or the bank at which it is made payable refuses to pay it when presented for payment, the bill is said to be dishonoured by non-acceptance or non-payment. An inland bill which has been dishonoured by non-acceptance or non-payment is usually "noted," and a foreign bill "protested." "Noting" consists in a second formal presentation for acceptance or payment by a "notary public," who registers in his books the fact that he has presented the bill, and affixes to the bill itself a ticket on which is written the answer he received from the drawee or acceptor when he presented the bill, and also the amount of his charge for noting the bill. A "protest" is a formal document stating that the bill was presented, and containing a copy of the bill. It is not essential that an inland bill should be noted in order to render the drawer and the indorsers liable on it. Where a foreign bill is dishonoured, however, it must be protested, or the drawer and indorsers will be released from all liability. In either case, if the holder of a dishonoured bill desires to obtain payment of it from the drawer and indorser, he must give notice "within a reasonable time" (Bills of Exchange Act, Sec. 59) of its dishonour to any party whom he intends to hold liable. The liability of the drawer and indorsers of a bill is defined by the Bills of Exchange Act (Sec. 55). The drawer of a bill, by drawing it, engages, and the indorser, by indorsing it, engages—

> "that, on due presentment, it shall be accepted and paid according to its tenor; and that if it be dishonoured, he will compensate the holder or any indorser (in the case of the indorser, 'a subsequent indorser') who is compelled to pay it, provided that the requisite proceedings on dishonour be duly taken."

COMMERCIAL LAW

Continued from page 366

LESSON IX.

REALITY OF CONSENT.

Mistake. No attention will at any time be paid to the contention of a person that he has made a mistake as to the law. Every man is bound to know the law, and consequently any question which arises in cases of contract as to mistake must be upon facts, and upon facts alone.

Three Kinds of Mistakes. The following are the mistakes of fact which will be sufficient to invalidate a contract—

(1) THE SUBJECT-MATTER OF THE CONTRACT. This may have reference either to the existence of the subject-matter when the contract is entered into, or to its identity. The chief essential of a contract is that the parties should be at one—*ad idem*—and if there is no such *consensus* (agreement), there is no contract.

(2) THE PARTIES TO THE CONTRACT. This arises when one of the persons intending to contract enters into an agreement with some other person by error. As certainty is one of the essentials of a valid contract, a mistake of this character renders the contract invalid.

(3) THE NATURE OF THE CONTRACT. This kind of mistake arises when a person is led to do something totally different from what he thought he was doing, as when a blind man is led into signing a document of a nature quite distinct from what he was informed it was. This last instance, however, may, in fact, be more than mistake ; it may be fraud, or misrepresentation, at least.

Misrepresentation. When parties are negotiating a bargain, statements are made by the vendor to induce a sale. These statements are called representations, and they bring about the contract, although they are no part of it. If there is anything said which is inaccurate, but for which the buyer would never have purchased, this is a misrepresentation, and may invalidate the contract. A sells a machine to B, and in the course of the negotiations states that it will require no repairing for two years. If B buys on the strength of this statement, and the machine turns out to be useless in three months' time, B is entitled to have his contract of purchase rescinded, if that is possible, or to be awarded damages. Misrepresentation may assume infinite variety of forms ; but a person who thinks that he has been led into a bad bargain must not jump too hastily at certain conclusions which will give him the idea that he has a good cause of action, when, in fact, he has none.

Utmost Good Faith. The general rule as to representations is this—no man is compelled to say anything disparaging of his own goods, but he must not make an untrue statement. He must tell the truth, but he need not tell the whole truth. There is, however, an exception to this rule in the case of insurance. So many particulars must be known to the insured that cannot be within the knowledge of the insurer, that it would be obviously unfair if there was anything held back by which the risk attaching to the contract would be increased. In insurance contracts everything must be disclosed, the utmost good faith is required, and the non-disclosure of any material fact will cancel the contract. Those contracts which require the utmost good faith are known as contracts *uberrimæ fidei*.

Fraud. Fraud may be said to be a species of exaggerated misrepresentation, and this seems to be the natural deduction from the important case of *Derry* v. *Peek*, decided in 1889, in which the whole question of fraud was elaborately discussed. It was there stated that when a representation is made with a knowledge of its untruth, or without belief in its truth, or recklessly, not caring whether it is true or false, it is fraudulent misrepresentation, or, more shortly, fraud. There is no fraud in law if, however wrong he may be, a man makes a statement which he honestly believes to be true. But the law invests every man with the right that he shall not be defrauded ; and, if he is, then there is a right of action on his part to rescind the contract or to sue for damages. Fraud is a most serious charge, and many a man considers that he is a victim of something of this kind even when the law will render him no assistance in helping him out of a bad bargain. It is, therefore, necessary to examine the proofs that are required before an action for fraud can succeed. They are—

(1) The representation must be false.

(2) It must be a representation of fact and not of opinion or of law.

(3) The representation must have been made intentionally or recklessly, as above stated.

(4) It must have been made with the intention of injuring the defrauded party.

(5) The person defrauded must have been misled by the statements made.

It is impossible to enter into details, without going to great length ; but it is sufficient for the ordinary individual to know that if a clear case of fraud is made out, he will be relieved from the consequence of his bad bargain, as far as circumstances will permit of it.

Remedies. Instead of having a declaration to the effect that the contract is void, the person damnified may elect to uphold the contract and take damages as a solace.

LIMITED LIABILITY COMPANIES

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LESSON VII.

WINDING UP (*continued*).—A public company may be compulsorily wound up by the court: (*a*) whenever it passes a special resolution to that effect; (*b*) if default is made in the filing of the statutory return or in holding the statutory meeting; (*c*) if the company does not commence business within a year; (*d*) whenever the number of its members falls below seven; (*e*) whenever it becomes unable to pay its debts; or (*f*) whenever the court is of opinion that it is just and equitable that the company should be wound up.

With regard to (*e*), any creditor whose claim exceeds fifty pounds may serve a demand upon the company at its registered office requiring payment of the amount due; and if the company fails to pay the same or to secure payment within twenty-one days, it is deemed to be unable to pay its debts, and a winding up order may be obtained against it. It being assumed that such a petition has been presented to the court and an order obtained, the business of a company will come to an end except for the purposes of the winding up. The management of the affairs of the concern usually passes into the hands of an official known as the "liquidator," who is appointed by the court. That gentleman is charged with the duty of investigating the affairs of the company, getting in the debts due to it, and disposing of its property to the best advantage, for the benefit of the creditors. In the event of the shares not having been fully paid up, and the assets being insufficient, the liquidator has the unpleasant duty of calling upon the shareholders to make up the deficiency or, at any rate, a part of it. After the liquidator has collected the whole of the available funds and paid the costs incidental to the proceedings, he must distribute any moneys in hand amongst the persons entitled, in the order of priority laid down by various statutes. The wages of clerks or servants, rates, taxes, etc., will usually be paid first. It will be gathered that the debenture holders, if any, are secured creditors, and can, if they choose, realise the property charged in their favour, without any reference to the liquidator. If the sum realised is insufficient to discharge the sum due to them, they may prove as ordinary creditors for the balance. If, on the other hand, a larger sum than that due to the debenture holders is realised, they are afforded the pleasure of handing over the difference to the liquidator. It may not be out of place, perhaps, to mention here that, once winding up proceedings have been commenced, no distress for any rent due in respect of a company can be levied.

The liquidator, having carried out the duties allotted to him, concludes his stewardship by making a report to the Board of Trade and taking certain prescribed steps to obtain his release.

The proceedings in the case of a voluntary winding up are very similar to those above mentioned, except that the court will not of its own motion interfere with the conduct of the winding up. If, however, a strong case for the intervention of the court is made out, it may step in and restrict the acts of the liquidator, and the concern in question will then be wound up under the supervision of the court.

PRIVATE COMPANIES.—A private company, as defined by statute, is a company which, by its Articles, (*a*) restricts the right to transfer its shares; (*b*) limits the number of its members (exclusive of employees and persons who having been formerly in the employment of the company were, while in such employment and have continued after the determination of such employment, to be members) to fifty; and (*c*) prohibits invitation to the public to subscribe for any interest therein. A private company must, on application for registration, file a Memorandum and Articles of Association; but these documents need only be signed by two persons, as distinguished from the seven signatories required in the case of a public company. In addition to this advantage, it may commence business immediately the certificate of incorporation is issued. It is exempt from various provisions of the Companies (Consolidation) Act relating to the filing of returns, etc.; and, in particular, need not file the annual statement in the form of a Balance Sheet, with information as to the nature of the liabilities and assets set out therein, which is rigorously extracted by the authorities from every public company. The number of members must be kept up to two, a task presenting no great difficulty.

A private company may, subject to any provisions contained in its Memorandum or Articles of Association, turn itself into a public company, upon the passing of a special resolution to this effect, and taking certain steps to register its conversion with the Registrar of Joint Stock Companies; and it may be mentioned, in conclusion, that the privileges and exemptions conferred upon private companies will be lost if default is permitted to occur in observance of the provisions of the Acts before mentioned, and the company will thereupon (unless excused by order of the court) become, for all practical purposes, a public company.

(*Concluded.*)

THE FOREIGN EXCHANGES

Continued from page 374

LESSON IV.

RATES OF EXCHANGE (*continued*). — A "favourable exchange" is one which tends towards the incoming specie-point, that is, if carried far enough, it will bring gold to swell our reserve. An "unfavourable exchange," on the other hand, is one which tends to draw gold from the country, thus depleting our reserve.

It may be mentioned that in some cases, more than one quotation for the same foreign country is given in the tables of exchange rates, and when this is so an explanation is given for the exact class of draft to which the quotation refers. Thus after Paris might appear the word "cheques," and after Berlin we might find not only "sight," but also "8 days." We see at once, then, that time is an element of much importance in the foreign exchanges. A cheque, as we know, is a bill of exchange drawn on a banker and payable on demand. The Paris cheque rate, then, is the price in Paris of a claim for one sovereign in London, payable immediately on presentation there of the draft representing the claim—in other words, the cheque. The Berlin "sight" rate represents the same thing, substituting Berlin for Paris. But the eight days' rate is a different matter. It is the price in Berlin of a draft for £1 payable in London eight days after sight; which, with the legal three days of grace, means eleven days after the draft has been presented to the drawee in London for his acceptance.

As will readily be understood, the highest rate is the sight rate, and as the currency of the draft increases, so does the rate decrease.

This is, of course, a perfectly natural process. A sovereign payable at once is worth more than one payable eight days hence, and is still more valuable than the sovereign payable in three months' time. The cheque or sight rate is determined by the law of supply and demand. If the demand for cheques on London in Paris is brisk, their price will rise; or, in other words, the exchange moves against Paris and in favour of London. Conversely, if the supply of cheques on London in Paris exceeds the demand, their price will fall, and the exchange will move against London.

The rate for drafts payable a certain time after sight is based upon the sight rate, and is affected by every rise and fall in the latter. The two rates, however, do not move in harmony. Suppose that a merchant in Paris purchases a three months' draft on London. He will have to pay for it at the sight rate, less interest for three months at the rate ruling in London—not in Paris. His customer in London will discount the bill there at the rate ruling in London. The price of the three months' bill will be further depressed by the greater risk attaching to it as compared with the sight draft. The longer the bill has to run, the greater will be the danger of the occurrence of unforeseen contingencies (such as the outbreak of war) making its ultimate payment doubtful.

The base, then, of the long rate is the sight rate, and whenever the latter moves, the former feels the effect. But the long rate can vary without affecting the sight rate, the variations depending upon the rate of discount ruling in the country where the bill is payable, and upon the good standing of the names attached to the bill, coupled with the general state of credit. A feeling of insecurity, such as may be created by the fear of war between two countries, has an instantaneous effect on the exchange rates; the long rate showing an increasing falling-off from the sight rate, despite the fact that the discount rate of the country upon which the bill is drawn may show no variation. The buyer of the three months' bill is demanding increased compensation for his risk; that is, he pays a smaller price for the bill.

As an example of how the long rate is normally based on the sight rate, let us assume that the Paris short rate on London is £1 = 45·16, and that the price of a three months bill is required, the London rate of discount being 4¼ per cent (Bill stamp disregarded).

Short Exchange	45·16
less 3 months interest at 4¼% p.a. . .	·4798
	44·6802

Telegraphic Transfer (T.T.). The Eastern rates (Bombay, Hongkong, etc.) are all quoted "T.T." in the table of rates. The letters stand for "Telegraphic Transfer," the method by which much of the international dealings between London and the East are carried out, to avoid the delay of forwarding drafts by mail. The quotation "Bombay T.T. 1s. 4 1/16d." means that one rupee will buy in Bombay 1s. 4 1/16d. payable in London on receipt of a telegram.

The quotations ruling at New York, which reach London at a later hour, appear separately on the money page of the morning newspapers. The following is a list which we will take as an example—

Exchange on London,	sight	3·70¼
,, ,,	Cable Transfers ..	3·70⅝
,, ,,	60 days' sight ..	3·68¼
,, Berlin,	Cables	1·20
,, Paris,	short sight	7·81

This table will be explained in our next Lesson.

JOURNALISM

Continued from page 367

LESSON VIII

DESCRIPTIVE REPORTING.—Impressionism is the art of the descriptive reporter, whose object may be defined as the presentation of selected facts in a spirit of brilliant impressionism. Avoid "fine" writing because it must necessarily be artificial and insincere, and it is also the *bête noir* of editors and readers alike. Every descriptive writer must develop a style of his own, but he must also be able to adapt it to his subject and the style of the paper for which he is writing. He should avoid diffuseness—the bane of the impressionist—and base his work on facts, referring to as many as possible, but without dropping into a banal list of dull statements. He has to draw a complete picture in a few words, and it must be a suggestive picture, one which not only shows the event but also indicates the underlying significance of it. The human interest in everything is his quarry, and to find it with unfailing regularity and inevitableness he must cultivate insight and observation to a rare degree. Above all, avoid the cynical vein. It is never popular. The majority of people are kindly at heart, and they love a touch of sentiment, but cynicism jars them uncomfortably. Cut out all journalese, and look for the original and distinctive phrase in regard to every point. Add to these things a keen resourcefulness. The descriptive reporter is not provided with a table and chair, but usually works from the best point of vantage he can secure, often the heart of an excited and possibly violent crowd. If a national hero were being buried in Westminster Abbey the reporter with a reserved seat would be the more comfortable, but his colleague who mingled with the jostling crowds around the doors and in the streets would get a better "story." The good descriptive writer is the man to whom the plums of the profession are most attainable.

NEWS PHOTOS.—Camera reporting is one of the most striking developments of modern journalism. Of the technical side it is impossible to give full details here; it must be assumed that the student is already a practical photographer. The great point to remember is that the camera reporter is not out merely to illustrate the day's news, but actually to tell the news in pictures. He must have the ordinary reporter's instinct, his "nose for news," and he must be able to seize the psychological moment when the picture he takes will tell the tale. A scene which merely forms part of an event is of no use; it must be the momentary scene which epitomises and explains the event. Further, the picture must be of immediate and pressing interest, for a few hours' delay in offering it to editors and public will make it stale. A dark room near the centre of newspaperdom is therefore essential, and its equipment must include plenty of cotton wool and methylated spirit for quick drying. The method is to develop, fix and wash the plate, and then, while it is immersed in water, place a piece of bromide paper in contact with its film side. It is then squeegeed, exposed to artificial light, the paper peeled off and developed, and quickly dried by means of methylated spirit. Half-a-dozen prints can be taken in this way before a negative deteriorates seriously. These may be submitted to, and used by, as many journals unless an exclusive fee is demanded. A large print is better than a small one, as the block-maker can get a better result by reducing than enlarging, especially if the print shows any slight defects. Prints should be offered to editors as early in the day as possible, or preferably before 2 p.m., and never later than 6 p.m. or 7 p.m. when only a picture of very great importance will be accepted. Pictures of Saturday's events, it may be added, stand a better chance of acceptance if offered on Sunday when the full staff are at work. A brief explanation of a picture should always be written on the back of it.

INTERVIEWING.—An interview is the report of a conversation—and much more. Without detailed description it should subtly convey a portrait of the person interviewed, his style, temperament, and mental outlook. The effect of an actual conversation with an actual living personality must be created. At the same time avoid the verbatim method. It is not necessary to give the actual words used, but it is essential to give a fair statement of what the person interviewed means and desires to say. An adroit use of some of the more striking phrases employed is usually sufficient, and the rest must be summarised, even though such summary is to appear as the actual words used. In writing up an interview the questions and personality of the interviewer must not be unduly obtruded. Study the subject before interviewing the person, and know before seeing him what line you think the interview should take. Then be ready to adapt yourself quickly to a better line if introduced by the person interviewed—which does not often happen. An interview, in brief, should have all the weight of thought and substance characteristic of a good article, but with the personal element clear and pronounced, giving it a distinctive colouring. Both the speaker and his subject should be kept in front of the reader's eye. Finally, always send a person interviewed a proof to be approved and initialed by him — it will prevent later disavowals.

LEADING INDUSTRIES

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TIMBER

IMPORTANCE.—Owing to the enormous consumption of timber in all parts of the world for various objects, the life history of so useful a natural product cannot fail to be of the strongest interest to all persons. It would be impossible, however, to enter into all the details of forest growth, and it would also be altogether out of place to discuss the subject of afforestation. It will be necessary therefore, to confine this article to a consideration of the different kinds of timber, to an inquiry into the regions of the world from which it is obtained, the method of marketing, and the uses to which the various kinds are put.

DIVISION OF THE TIMBER TRADE.—Speaking generally, the trade in timber, as carried on in the United Kingdom, is divided into three sections. The first of these is the English section, which, though not the most important, is naturally the oldest. The second section is that known as the soft or whitewood section, which is by far the most extensive, as the timber comprised in this section is that which is mainly used for all kinds of building purposes. The third and last section is generally known as the hardwood section, which is perhaps the most interesting, because the timber comprised in it is utilised in the manufacture of such things as furniture, carriages, and in many special industries. Each of these sections will be dealt with in turn.

ENGLISH SECTION.—In ancient times there were great forests to be found in various parts of the country, and English timber was most important as the only kind of fuel in existence before the discovery of coal. There was really no opportunity of importing this article, and English timber had to be utilised for every kind of heating purpose. The consumption for iron smelting, for instance, was enormous, and the country might have been altogether denuded of its timber unless forces had intervened to prevent such a catastrophe. The introduction of coal, just referred to, arrested the work of destruction, and in modern times the substitution of iron for timber in shipbuilding, as well as the possibility of importing timber from abroad, served to preserve the remnants of our forest giants. The most important English woods are oak and ash, the chief consumers being wheelwrights, carriage and boat builders, though the English supply of ash falls far short of the demand. Other English trees of importance are elm, lime, hornbeam, beech, sycamore, walnut, larch, and alder. The trees from which these woods are obtained are bought either when the trees are standing or when they have been felled, the price being calculated by the cubic foot. The sales are often by auction, and sometimes take place upon the estates where the trees have been grown. After the purchase is completed, the timber is taken to the saw-mills and cut into the sizes required by the buyers.

SOFT OR WHITEWOOD SECTION.—The greater part of the timber included in this section comes from the northern countries of Europe and from Canada, although in recent times there have been imports from other quarters, especially South America. The timber may be classed as belonging to what are called cone-bearing trees comprising firs, pine, larch, and similar species, and are known in this country under the comprehensive name of deal. In the early days of shipment the timber was brought in a rough and unfinished state; but since the introduction of saw-cutting machinery, it now arrives properly cut up and ready for the consumer's use. The timber known as soft wood is essentially a builder's material, and practically the whole timber work found in a building, from joists, floors, and rafters to the doors and window frames, is made from one or other of the species mentioned. Sales are generally effected in this country by means of auctions according to specifications sent out by the exporters. Practically all these woods which come to us are sold per Petrograd standard—a standard being equal to 120 pieces, 12 ft. × 1½ in. × 11 in., the solid contents of which are 165 cubic feet.

HARDWOOD SECTION.—This comprises the products of tropical countries, and the total value of the imports has increased rapidly in recent years. The principal of these timbers are mahogany, teak, walnut, satin wood, lance wood, lignum vitae, cocos, snake wood, rosewood, and ebony. There are also valuable varieties of oak and walnut which now help to make up for the lack of home supplies. Of all these woods mahogany easily takes the first place, and it is well known how greatly it is in favour in the furniture trade. It is shipped in logs, and is sold by public auction in Liverpool and London on certain specified days every month. The varieties of mahogany are very great, and extraordinary prices are sometimes obtained for the logs. Teak is largely used for shipbuilding, the Government being large purchasers. It is unnecessary to mention the uses to which the other woods enumerated are devoted. Kauri pine, exported by New Zealand, should not be omitted in this section, as it is a timber of great value for ship's masts, planks, etc.

MR. H. E. KNOTT, O.B.E., J.P.

President of the Timber Trades' Federation of the United Kingdom.

COMMERCE

Continued from page 370

IX.

CO-OPERATIVE SOCIETIES.

The idea of the co-operative society is, briefly, that a number of people, uniting together, can buy cheaper than ordinary purchasers at ordinary shops. Some trading bodies, which do not work on these lines, have taken the name Co-operative Society, as, for instance, one well-known firm in London. In this case, the business is practically a large limited company belonging to so many shareholders.

In the co-operative society pure and simple each member is supposed to benefit by his own trade. He gets his dividends on the business he has done during the year, and not upon the number of shares he holds. If the dividend is 2s. in the £, and he has bought £14 worth during the period under balance, he receives back £1 8s. as his dividend.

The system has grown enormously, and co-operative societies are now manufacturers as well as dealers.

It is no part of the duty of the writer to say if the method pays the purchaser better or worse than other systems of buying. But it is only right to point out that while the co-operative society saves, on one hand, the middleman's profit, it incurs, upon the other, costs of storing, distribution, buying, book-keeping, and trading charges.

The argument of the ordinary trader has always been—

"Our middleman's profit, as you call it, includes all these things; whatever is not included is only reasonable remuneration for our expert knowledge."

It would be easy, in certain branches of trade, to cite instances of where tradesmen have shown, item by item, or on a bulk parcel, that the so-called dividend returned at the end of the quarter was less than the extra prices the purchaser has paid.

A grocer, as an example, in a provincial town might declare: "I am able to work my business at a less expense, to buy more economically, and to do better for the public than any company of co-operative buyers. I have to get my living out of it! Certainly. But their manager has to be paid."

Of course, the society has its answer, and between the merits of the two debaters only the alert-minded marketing matron should be permitted to decide.

But here are some side points.

"I don't care," said a working man, "if I buy cheaper or dearer at the co-op. I know that my missus spends what comes in, and that dividend is a powerful help to the rent."

"Why did I join the co-operative society?" replied the wife of a merchant well known for his opposition to the co-operative movement. "Well I joined it to get my branded goods. Blank's Cocoa cannot be sold under sevenpence ha'penny; Moonbeam Soap under tuppence ha'penny; and a dozen other articles I could name have similar fixed prices. I only buy those goods there, and get my dividend of half-a-crown in the pound on them."

Here the moral remains that the firms which fix a standard minimum price for the sale of their goods are completely foiled by the methods of such societies, and opponent traders have reasonable ground for complaint that the restriction is not loyally adhered to.

Here is another variation of this case.

"Yes," confessed a tradesman to a traveller, "I am a member of the co-operative society—at least my wife is. There are times when I cannot buy goods, to meet their prices, that will allow me two and sixpence in the pound gross profit. So I buy these goods from them and get my half-crown in the dividend. It pays me, and it satisfies my trading instinct as an opponent."

"You mean it helps them downstairs?" suggested the traveller.

"Something of the sort," agreed the tradesman.

It will be noticed that co-operative societies usually do best—in spite of all arguments about prices—in those lines that are most regulated by the price list. They do worst where the element of taste must be considered. They do well in the grocery department; they do badly in the millinery and dressmaking.

The reason for this is not far to seek. In normal times, a reasonable price for sugar can be worked out by any purchaser, from a glance at the market prices in the daily papers, especially if he has a fair knowledge of carriage and shipping rates. The whole problem of co-operative or ordinary buying is reduced to exceedingly simple proportions. Any housewife knows the value of kitchen and pantry necessities, and the effect of a farthing up or down on the price can be estimated with comparative ease.

But when that same housewife goes buying fine linen and thrilling hats, co-operative dealing ceases to appeal to her. She has faith in her own judgment above all things. Apart from this, she wants the opinion of the specialist. As regards the simple idea of a whole neighbourhood "pooling" their tastes, she will have none of it.

INSURANCE

Continued from page 372

MARINE INSURANCE.

LESSON II.

DISCLOSURE AND REPRESENTATIONS.—As the contract of marine insurance is based upon the utmost good faith, *uberrima fides*, being shown, it is liable to be avoided if there has been any withholding of material facts. As the Act says—

> "The assured must disclose to the insurer, before the contract is concluded, every material circumstance which is known to the assured, and the assured is deemed to know every circumstance which, in the ordinary course of business, ought to be known by him. If the assured fails to make such disclosure, the insurer may avoid the contract. Every circumstance is material which would influence the judgment of a prudent insurer in fixing the premium or determining whether he will take the risk."

There can be no doubt as to the course which would be adopted by an honourable man with a statement of the law like that just set out before him. It is his duty to make a clean breast of everything. Of course, it is well known that there are business men who wish to avoid a thorough compliance with what the spirit of the law demands, whenever they have a chance of doing so. The risk of such a course is too great for the average commercial individual.

When an insurance is effected for the assured by an agent, the agent must disclose to the insurer (*a*) every material circumstance which is known to himself, and an agent to insure is deemed to know every circumstance which in the ordinary course of business ought to be known by, or to have been communicated to, him; and (*b*) every material circumstance which the assured is bound to disclose, unless it comes to his knowledge too late to communicate it to the agent.

KINDS OF POLICIES.—The following are the principal kinds of policies of marine insurance—

(1) **Valued Policies.** In these the agreed value of the subject-matter of the insurance is stated, and, in the absence of fraud, it is conclusive between the parties, in case of total or partial loss, even though it is in excess of the actual value of the subject-matter, although, unless otherwise provided, it is not conclusive for the purpose of determining whether there has been a constructive total loss. Ships and freights are generally so insured.

(2) **Unvalued Policies.** In these the value of the subject-matter is not stated, but, subject to the limit of the sum insured, the insurable value is left to be ascertained after a loss has been incurred. Goods are usually insured in this manner, since their value can be easily ascertained. These policies are also known as "Floating Policies."

(3) **Voyage Policies.** The risks undertaken in voyage policies are confined to the particular voyages named therein (e.g. London to Bombay, New York to Liverpool).

(4) **Time Policies.** These are effected for fixed periods, not exceeding one year and thirty days in length. The additional thirty days were added by the Finance Act, 1901, so that where a ship was at sea at the time of the expiration of the year for which the policy was effected, an additional thirty days should be allowed by a "continuation clause," in which she would have time to arrive at her port of destination.

Sometimes a policy is issued with respect to both time and voyage. Such a policy is known as a "mixed policy."

Lloyd's Policy. The form of policy contained in the first schedule of the Act of 1906 is similar to that shown at page 328, and is generally known as Lloyd's policy. An explanation of its terms, so far as is necessary, is given in the second part of the schedule, to which reference must be made for full particulars.

GAMBLING POLICIES.—A very reprehensible practice grew up, at an early date, of effecting insurances without the insured's having the slightest interest in the subject-matter, and it was customary to insert in the policies such words as "interest or no interest," or "without further proof of interest than the policy itself," or "without benefit of salvage to the insurer." These policies were known to the underwriters as "honour" policies, and they were most scrupulously met when liability attached. The Legislature made an effort to put a stop to these policies, and by sect. 4 of the Marine Insurance Act, 1906, they were made unenforceable at law. It was soon discovered, however, that this Act was not sufficiently stringent to keep the gambling spirit in check, and so the Marine Insurance (Gambling Policies) Act, 1909, was passed, by which if—

> (*a*) any person effects a contract of marine insurance without having any *bonâ fide* interest, direct or indirect, either in the safe arrival of the ship in relation to which the contract is made, or in the safety or preservation of the subject-matter insured, or a *bonâ fide* expectation of acquiring such an interest; or
>
> (*b*) any person in the employment of a ship, not being a part owner of the ship, effects a contract of marine insurance in relation to the

ship, and the contract is made "interest or no interest," or "without further proof of interest than the policy itself," or "without benefit of salvage to the insurer," or subject to any other like term,

the contract is to be deemed one made by way of gambling on loss by maritime perils, and the person effecting it is liable, on summary conviction, to a fine of £100 or six months' imprisonment. Any broker or other person through whom, or any insurer with whom any such contract is effected, is guilty of an offence and liable to a like penalty.

DURATION OF RISK.—The policy of marine insurance generally fixes expressly the period of duration of a maritime risk, and it is the business of the contracting parties to take care that there is no difficulty in connection with this matter. It will be remembered, but this is for *résumé* purposes only, that a policy cannot be issued for a greater length of time than one year, though now, by reason of the Finance Act, 1901, there may be a "continuation clause" inserted which will extend the period by any time not exceeding thirty days.

DOUBLE INSURANCE.—Generally speaking, it is of no use to effect an insurance for a sum which is in excess of the total value of the interest insured. But this may sometimes be done inadvertently, as when a merchant expecting consignments from abroad effects an insurance thereon, which, subsequently, he has reason to think may be insufficient to cover the risk, and accordingly effects a second insurance, and, perhaps, with different underwriters.

Section 32 of the Marine Insurance Act, 1906, deals with this matter, and it is of such importance that it is here given *in extenso*—

"(1) Where two or more policies are effected by or on behalf of the assured on the same adventure and interest or any part thereof, and the sums insured exceed the indemnity allowed by this Act, the assured is said to be over-insured by double insurance.

"(2) Where the assured is over-insured by double insurance—

"(*a*) The assured, unless the policy otherwise provides, may claim payment from the insurers in such order as he may think fit, provided that he is not entitled to receive any sum in excess of the indemnity allowed by this Act;

"(*b*) Where the policy under which the assured claims is a valued policy, the assured must give credit as against the valuation for any sum received by him under any other policy without regard to the actual value of the subject-matter insured;

"(*c*) Where the policy under which the assured claims is an unvalued policy, he must give credit, as against the full insurable value, for any sum received by him under any other policy;

"(*d*) Where the assured receives any sum in excess of the indemnity allowed by this Act, he is deemed to hold such sum in trust for the insurers, according to their right of contribution among themselves."

ALTERATION OF POLICY.—If there is any alteration, it must be made before any notice has been given of the determination of the original risk; it must not extend the time beyond six months, if the policy was originally made for less than six months, nor beyond a year in any other case; and the amount of the insurance must not be increased.

WARRANTIES AND REPRESENTATIONS.—It is a very common practice for underwriters to make their position more secure by stipulating that certain express warranties shall be inserted in the policy; and a breach of any of them will almost always absolve the insurers from liability in case of loss, unless the breach is waived. The only cases where non-compliance with a warranty is excused are when, by reason of a change of circumstances, the warranty ceases to be applicable to the circumstances of the contract, or when compliance with the warranty is rendered unlawful by any subsequent law. But, apart altogether from express warranties, there are certain implied warranties, and these have the same legal force as though they were set out in the policy. It is impossible to give these implied warranties in detail, but the following summary will suffice—

(1) In every voyage policy it is implied that the vessel is seaworthy at the time when the risk commences; and, if the voyage is divided into different stages, that it is so at the commencement of each stage.

(2) In all cases, the voyage is to be prosecuted without undue delay, deviation, or departure from any of the established usages of trade and navigation. There are certain excuses permissible for deviation or delay, but the circumstances must be connected with danger to human life or something of an exceptional character.

(3) The adventure on which the vessel is engaged must be legal in all respects, and the ship must carry all proper documents evidencing the legality of the enterprise.

Any representation made by the assured to the insurer may affect the policy of insurance, but its incorrectness will not necessarily render the contract void as a breach of warranty would. A warranty is an integral part of the contract, and its breach goes to the root of the whole matter. A representation is not an integral part of the contract, but something collateral to it. It appears to be the law that if a representation is untrue, it only entitles the insurer to avoid the policy, provided it is material, and any substantial compliance is quite sufficient to satisfy the same.

COMPANY SECRETARIAL WORK

LESSON I.

INTRODUCTION.—Of all the recognised professions which have sprung into existence within recent years, there is probably none which has made greater progress, or which has a more promising future before it, than has the profession of the secretary of joint stock companies or other public bodies. The reason for this is not far to seek, for the present is admittedly the age of joint stock, municipal, and public enterprise. On every hand we have evidences that a vast proportion of the commerce of the country will, in the near future, be carried on by combinations of individuals trading in common, rather than, as in the past, individuals trading alone. There are, naturally, to be found many who deplore this state of things, on the ground that it places too much power into the hands of large and heavily financed undertakings; and it is true that such a form of trading, if not properly controlled, lends itself to many dangers. In this country, however, the legislature has, from the very commencement of joint stock enterprise on anything like a large scale, jealously guarded the rights and interests of the public in the control of these large corporations, until, at the present time, the word "limited," which was—and still is—really intended as a word of warning to the public, has to a very large extent become a credential of respectability. If, occasionally, one comes across one or two points in respect of which the law governing our joint stock companies might be improved, it must be remembered that, as the whole of this branch of the law has been built up during the past fifty years, it has, for the greater portion of this period, been in an experimental stage. It is only within the past seven or eight years that it has attained anything approaching a permanent form, and even now, there are many points upon which further legislation may be expected.

The object of the present series of articles is to present to the young student of company secretarial work, and to the junior assistant in the secretary's office, an outline of the principal duties which fall to the lot of the present-day company secretary. In the company secretary's office there are, of course, many matters in which the work is precisely similar to that necessary in the ordinary commercial office; and, since these matters are to be found well and adequately dealt with in the many and reliable works already published on the subject of office routine, it is not proposed to touch upon these portions of the work here. Even when all these matters are eliminated, and our attention concentrated entirely upon work which can be described as purely secretarial, the space at our disposal will not allow of an elaborate treatise bearing upon the many legal and technical points involved. The writer's object is rather to provide the elementary student and the junior secretary with a brief and easily understood introduction to the subject.

JOINT STOCK COMPANY.—Now, let us first ask ourselves: "What is a joint stock company?" From the legal aspect, the term has been dealt with by many learned judges and by Act of Parliament; but for our own convenience we may say that a joint stock company is an association of individuals who have joined together, and contributed a certain sum of money (which may be large or small) to a common fund, for the purpose of carrying on business together. After certain formalities have been complied with, the company becomes what is called a "corporate body," an "artificial person" created by law, and as such it is entirely separate and distinct from the "natural persons" composing it. The death of the old members and the introduction of new members have no effect upon the status or corporate existence of the company. Men may come and men may go, but the company goes on for ever—that is, of course, unless it is dissolved by the power which gave it birth, the operation of the law.

HISTORY OF COMPANY LAW.—Limited companies, as we know them to-day, were not known until about 1855. For many centuries prior to that, however, it had been possible to form what were called chartered companies, but the granting of these charters was the exclusive right of the Crown. Notable examples of these early chartered companies are the Hudson Bay Company—or, to give it its full title, "The Governor and Company of Adventurers of England trading into Hudson's Bay"—which still flourishes sufficiently to pay a dividend of 50 per cent., and the East India Company; and it was through the agency of these and other chartered companies that many of our great British Colonies were first founded. Between the years 1600 and 1840, in addition to these chartered companies, there sprang into existence many other associations which passed under the name of companies. These were, in reality, nothing more than large partnerships, which, although resembling ordinary partnerships in that the liability of the members was unlimited, differed from them in that the shares of the members were made transferable. As a consequence, there was for many years a tendency on the part of the courts to regard them as illegal, but eventually they were declared to be lawful; and, in order that they might sue in their own name, provision was made for the granting to

them of letters patent. The Companies Act of 1862 prohibited the further creation of these " unincorporated " companies, and provided that any association of more than ten persons for the purpose of carrying on the business of banking, or of more than twenty persons for the purpose of carrying on any other business, should be illegal, unless duly registered as a company. Prior to this, about 1844, it will be remembered that, following the invention of the steam engine, there was a railway boom in this country, and this probably led to the formation of our first incorporated companies. Many Acts of Parliament followed, as their necessity became apparent; and, in the Act of 1862 (referred to above), these were consolidated, that is, revised in proper order and put into the form of an entirely new Act, the existing statutes being repealed. From 1862 to 1908 nearly twenty other amending Acts were passed, and in the latter year these were again consolidated. Since 1908 several additional Acts have been passed, and companies are now said to be registed under the Companies Acts, 1908-1917.

In addition to the companies mentioned above, there is another class, which consists of companies which are formed for the carrying on of large undertakings of a semi-public character, such as railway companies, gas companies, etc. As these companies find it necessary to acquire special powers, as, for instance, for the compulsory purchase of land, it is necessary for them to be formed by means of a separate and special Act of Parliament, and they are, therefore, not governed by the ordinary Companies Acts. These companies are accordingly known as statutory companies.

We may, therefore, say that we have in this country four separate classes of companies, viz.—

1. **Chartered Associations :** those formed under Royal Charter. Nowadays these charters are only granted under special circumstances, usually for the furtherance of scientific, charitable, or professional objects. The Chartered Institute of Secretaries is an example.

2. **Unincorporated Companies :** those formed without legal recognition before the passing of the Companies Acts.

3. **Statutory Companies :** those formed by special Act of Parliament (e.g. the Midland Railway Company, under the " Midland Railway Act"). These companies do not use the word " Limited " after their names, though the liability of the members is, in fact, limited.

4. **Registered Companies :** Companies which are formed by simple registration under the Companies Acts. These registered companies form the vast majority of companies carrying on business in this country, and the number at present in existence is more than 60,000. The reader is asked to note, therefore, that all points dealt with subsequently in this series will refer exclusively to this class of companies, namely, companies limited by shares, registered under the Companies Acts.

PUBLIC AND PRIVATE COMPANIES.—Registered companies limited by shares may be divided into two important classes, viz., public companies and private companies. Prior to 1907, all companies were, in the eyes of the law, public companies; but in practice it was found that many of these companies were really controlled and owned by one person only, who, in order to satisfy the law (which at that time provided that no company could be formed with less than seven persons), gave one share of insignificant amount to each of six nominees, or perhaps to his wife and various members of his family. Such companies were popularly known as private companies, or " one man " companies; and in a celebrated case, that of *Salomon* v. *Salomon & Co., Ltd.* (1897), were held to be within the letter of the Companies Acts. In 1907, Parliament rendered unnecessary this virtual evasion of the law by permitting the incorporation of " private " companies. These have all the rights of public companies as regards perpetual succession, limitation of liability, etc.; and, in return for certain restrictions which are imposed upon them, they are also granted additional advantages. The restrictions are that the company must, by its Articles of Association,

(1) restrict the transfer of its shares;

(2) limit the number of its members to fifty, exclusive of employees and ex-employees; and

(3) prohibit any invitation to the public to subscribe for any of its shares or debentures.

The first restriction is but a very trifling one, since practically any restrictive clause would satisfy the Act, and almost every company inserts a restrictive clause of some kind in its Articles. The second restriction has already led to the driving through the Act of the proverbial " coach and four." It will be noticed that the Act simply requires that the company shall insert a limiting clause in its Articles; but, with the exception of a member of the company, no one, not even the Government itself, can compel the company to adhere to its Articles. In a recent case it was discovered that a private company—which had, of course, the necessary limiting clause in its Articles—had, in reality, more than fifty members, whereupon the Board of Trade called upon the company to furnish such returns as would be necessary in the case of an ordinary public company. This the company declined to do, and argued that as the Articles contained the necessary restrictive clauses, the requirements of the Act were complied with, and that no further obligation was laid upon them. The case was carried to the courts, and it was finally held that, although the company had departed from its Articles, it did not thereby cease to enjoy the advantages possessed by a private company. This, of course, although held to be in accordance with the letter, was not in the spirit of the law; and in August, 1913, Parliament passed an Act to amend the provisions as to private companies.

MEMORY

Continued from page 330

IV.

CONCENTRATION.—Whilst it is true that the powers of the mind vary just in the same way that physical standards vary, every man may develop the faculty of attention so that he is able to do more in the way of intellectual achievement than he could have accomplished without this training and care. Now the method of development to be pursued is simplicity itself. It consists in turning all the mind strength of which we are capable in one direction, so that the thing to which we are attending makes a sharply defined and clear impression upon the mind. That is the heart of the whole matter. Understanding and reasoning concerning the subject of examination are processes which follow, and, therefore, our energy must first be directed wholly to securing a clear mental picture or image. If, before we have secured this well-focused impression, we allow our mind to attend to any other matter, in that instant our mental image becomes blurred, making an inadequate basis for the subsequent processes of thought. "The one prudence in life is concentration; the one evil is dissipation. You must select your work—you shall take what your brain can and drop all the rest. No matter how much faculty of idle seeing a man has, the step from knowing to doing is rarely taken. 'Tis a step out of a chalked circle of imbecility into fruitfulness. Many an artist lacking this lacks all; he sees the masculine Angelo or Cellini with despair. He, too, is up to Nature, and the First Cause *in his thought.* But the spasm to *collect and swing his whole being into one act* he has not." That was what Emerson, one of the high intellects of an intellectual age, thought of the paramount and permanent need for this discipline of our power of attention. That this power represents the secret of strength in all human affairs is shown by abundant examples which we encounter in every walk of life. The power of "idle seeing" is as nothing. It is as common as the air we breathe and counts for no more in the world's work than idle physical strength. When that physical strength has been trained, however, whether to plough, to hammer, or to build, then it immediately becomes valuable. In the same way, a well-organised mind, trained to work with precision and care, able to concentrate its powers so that it can bring to its owner on the instant all he knows, is a great and valuable possession—one which the world is always wanting and for which it is willing to offer an adequate return.

HOW TO DEVELOP ATTENTION AND CONCENTRATION.—The gateway to the fields of attention and concentration is interest. Interest in carrying to the mind a sense of utility or service of the work upon which the mind is engaged, forms the best guarantee of close and continuous attention. Its value lies in being the great driving force or motive power without which there is little hope of efficient mental working. "In every case, attention owes its direction to the emotional states that accompany mental action; in other words, attention follows interest" (Prof. Adams). Everyone has experienced in the midst of some dreary reading in which the mind has grown listless, a sudden alertness of the mind on coming upon a reference to some point closely connected with a matter of great interest. Nothing can be drearier reading than a continental Bradshaw, yet if, stranded on some remote continental station platform, you are anxious to find a train which will take you to the place you are anxious to reach, is there anything so vitally interesting as this monotonous publication of times and trains? The moment a subject is invested with a definite aim, with the interest arising out of a specific purpose, attention is quickened; a stimulus is then given to the whole machinery of the mind, and as a result all that is acquired is rightly grouped and arranged in an order that is lucid, because it stands in immediate relation to a central object of constant and growing interest. The power of interest is, of course, not marked in the case of the minds of children. Professor Adams tells of a boy who showed no interest in geometry and chemistry until their close relation to balloon-making dawned on his young mind, when his amazing progress in these subjects became the wonder of the school. "The awakening of this intellectual attitude is shown when a child wants to know more about things. Then, first, he really attends to them as things. One of my own earliest remembrances is, when three or four years old, cutting open a toy drum to see where the noise came from. This certainly marked, by an act of attention, the liberation of an intellectual interest" (Prof. Welton: *The Psychology of Education*).

Interest based on a right view of life and its values—not on mere passing fancies—cannot fail to help the man who wishes to train his power of attention. But everyone, the student especially, must recognise that, whilst attention will help very materially in countless ways, there is a point at which his mind will arrive when he must then put in all his power of will to complete the task before him. Mental efficiency of a high order is a fine ideal for any man and, like any other ideal, must be sought after with constant striving.

COMMERCIAL FRENCH

Continued from page 382

KEY TO EXERCISES IN PART 8 (p. 382).

1. To-day trains cross (*lit.* furrow) the frozen steppes of Russia, and soon they will traverse (*or* cross) Africa.

2. The bazaar is perhaps the busiest place in the town.

3. Citizens walk about from shop to shop, enquiring (about) the prices (*lit.* rates) of apples, onions, etc.

4. The extreme dearness of provisions weighs most heavily on the lower middle class.

5. They never have more than a little money put by, and live from hand to mouth.

6. The long, winding course of the river Ouest (i e. West) waters a smiling valley.

7. The number of stampers has been increased and the cost price has gone down.

8. Prices recovered slightly towards the close, and there is an upward tendency.

9. The export of refined sugar greatly increased last month.

10. Last harvest showed a deficit of more than 20,000,000 hectolitres (*lit.* the deficit on the last harvest was, *etc.*).

1. *L'hypothèque sur ma maison sera éteinte quinze jours d'ici.*

2. *Nous aimerions mieux vous le donner que de le vendre à un tel prix.*

3. *Ils ne sont pas responsables du délai ; nous ne pouvons leur demander un rabais.*

4. *Tout l'argent dû à nos créanciers sera payé cette semaine.*

5. *Nous espérons recevoir une réponse à cette lettre si* (lit. *très*) *importante par retour du courrier.*

6. *Quel est votre avis* (or *que pensez-vous*) *de cette maison ? Nous voudrions en avoir des renseignements.*

7. *Nous avons pris des renseignements sur la maison, et nous la trouvons très solide.*

8. *Vous pouvez lui* (i.e. *à la maison*) *accorder crédit jusqu'à* 5,000 *livres sterling sans la moindre crainte.*

9. *Le commis aurait dû répondre hier aux lettres, mais il a omis de le faire.*

10. *Le fret que vous demandez est beaucoup plus haut que nous ne voulons payer.*

LESSON IX.

POSSESSIVE PRONOUNS.—The Possessive Pronouns, like the Possessive Adjectives, agree with the thing possessed and not with the possessor. Thus, *son livre* may be "his *or* her book" ; *sa mère*, "his *or* her mother" ; *ses maisons*, "his *or* her houses." In the same way *mon livre et le sien* is "my book and his *or* hers" ; *ma mère et la sienne*, "my mother and his *or* hers" ; *mes maisons et les siennes*, "my houses and his *or* hers." Many beginners are apt to think that *son* = his ; *sa* = her ; *le sien* = his, *la sienne* = hers. The foregoing explanation should serve to obviate this error.

POSSESSIVE PRONOUNS.

MASC.	SINGULAR	FEM.
le mien	.. .. ..	*la mienne*
le tien	.. .. ..	*la tienne*
le sien	.. .. ..	*la sienne*
le nôtre	.. .. ..	*la nôtre*
le vôtre	.. .. ..	*la vôtre*
le leur	.. .. ..	*la leur*

PLURAL.

MASC.	FEM.	
les miens	*les miennes*	mine
les tiens	*les tiennes*	thine
les siens	*les siennes*	his, hers, its
les nôtres (m. and f.)		ours
les vôtres (m. and f.)		yours
les leurs (m. and f.)		theirs

The Possessive Pronoun in French is always preceded by the definite article. Both the article and the pronoun agree in gender and number with the noun for which they stand.

Cette bicyclette-là n'est pas la mienne
That bicycle is not mine.

La cote était la leur
The quotation was theirs.

Note (1) that the pronouns *le nôtre, le vôtre* take the circumflex accent (^) to distinguish them from the possessive adjectives *notre, votre.*

(2) That the pronouns "mine," "thine," "his," etc., coming after the verb "to be," are frequently rendered by *à moi, à toi, à lui*, etc.

Ce couteau-ci est-il à vous ou à eux ?
Is this knife yours or theirs ?

Ce n'est pas à moi, c'est à elle
It is not mine ; it is hers.

IRREGULAR VERBS.

Pres. Infinitive	— *pouvoir*	to be able
Pres. Participle	— *pouvant*	being able
Past Participle	— *pu*	been able
Pres. Indicative	— *je peux* (*je puis*), *tu peux, il peut, nous pouvons, vous pouvez, ils peuvent.*	
Imperfect	— *je pouvais*, etc.	
Preterite	— *je pus*, etc.	
Future	— *je pourrai*, etc.	
Conditional	— *je pourrais*, etc.	
Pres. Subjunc.	— *que je puisse*, etc.	
Imperf. Subjunc.	— *que je pusse*, etc.	
Imperative	— This verb has no imperative mood.	

Note that there are two forms for the 1st person

singular Present Indicative; *puis-je ?* is used in the interrogative form instead of *peux-je ?* In the affirmative and negative forms, *je peux* or *je puis*, and *je ne peux pas* or *je ne puis* are used respectively. In the latter case, without the *pas*. This verb *pouvoir* is used to translate our English auxiliary verb " can."

Je peux (je puis)
I am able to, I can.
Je ne peux pas (je ne puis)
I am not able to, I cannot.

Pres. Infinitive — *savoir* to know (by heart)
Pres. Participle — *sachant* knowing
Past Participle — *su* known
Pres. Indicative — *je sais, tu sais, il sait, nous savons, vous savez, ils savent.*
Imperfect — *je savais*, etc.
Preterite — *je sus*, etc.
Future — *je saurai*, etc.
Conditional — *je saurais*, etc.
Pres. Subjunc. — *que je sache*, etc.
Imperf. Subjunc. — *que je susse*, etc.
Imperative — *sache, qu'il sache, sachons, sachez, qu'ils sachent.*

voir	to see	Conjugated like *voir*
entrevoir	to catch a glimpse of	
s'entrevoir	to see each other	
revoir	to see again	
**prévoir*	to foresee	

Pres. Infinitive — *voir* to see
Pres. Participle — *voyant* seeing
Past Participle — *vu* seen
Pres. Indicative — *je vois, tu vois, il voit, nous voyons, vous voyez, ils voient.*
Imperfect — *je voyais*, etc.
Preterite — *je vis*, etc.
Future — *je verrai*, etc.
Conditional — *je verrais*, etc.
Pres. Subjunc. — *que je voie, que tu voies, qu'il voie, que nous voyions, que vous voyiez, qu'ils voient.*
Imperf. Subjunc. — *que je visse*, etc.
Imperative — *vois, qu'il voie, voyons, voyez, qu'ils voient.*

*(N.B.—*Prévoir*, to foresee, is conjugated like *voir*, except in the Future and Conditional Tenses, where it becomes *je prévoirai*, etc.; and *je prévoirais*, etc.)

vouloir to be willing, to want, to wish
voulant being willing, wanting, wishing
voulu been willing, wanted, wished

Pres. Indicative — *je veux, tu veux, il veut, nous voulons, vous voulez, ils veulent.*
Imperfect — *je voulais*, etc.
Preterite — *je voulus*, etc.
Future — *je voudrai*, etc.
Conditional — *je voudrais*, etc.
Pres. Subjunc. — *que je veuille, que tu veuilles, qu'il veuille, que nous voulions, que vous vouliez, qu'ils veuillent.*
Imperf. Subjunc. — *que je voulusse*, etc.
Imperative — used in 2nd pers. plural only: *veuillez* = please to, or kindly

If the verb following *vouloir* is separated from *vouloir* by *que*, the second verb must be in the subjunctive.

Nous voulons que vous envoyiez les échantillons demain
We wish you to send the samples to-morrow.

conduire	to conduct, lead, take (to the house of)	Conjugated like *conduire*
se conduire	to behave	
construire	to construct, to build	
cuire	to bake, to cook	
décuire	to thin (syrups, etc.)	
déconstruire	to take to pieces	
déduire	to deduct	
détruire	to destroy	
se détruire	to kill oneself, decay	
éconduire	to bow out, refuse	
enduire	to plaster	
induire	to induce	
instruire	to instruct, teach	
introduire	to introduce	
produire	to produce	
reconduire	to lead OR take back	
reconstruire	to build again	
recuire	to cook OR bake again	
renduire	to plaster anew	
reproduire	to reproduce	
réduire	to reduce	
séduire	to seduce, bribe, tempt	
traduire	to translate	
nuire	to injure (Past Part. *nui*)	

This verb requires the dative—
nuire à quelqu'un = to injure somebody

conduire to conduct, etc.
conduisant conducting, etc.
conduit conducted, etc.

Pres. Indicative — *je conduis, tu conduis, il conduit, nous conduisons, vous conduisez, ils conduisent.*
Imperfect — *je conduisais*, etc.
Preterite — *je conduisis*, etc.
Future — *je conduirai*, etc.
Conditional — *je conduirais*, etc.
Pres. Subjunc. — *que je conduise*, etc.
Imperf. Subjunc. — *que je conduisisse*, etc.
Imperative — *conduis, qu'il conduise, conduisons, conduisez, qu'ils conduisent.*

Vocabulary.

en temps voulu	duly
nommer	to appoint
activer la vente	to urge the sale
bicyclette de course	racing machine
selon	according to
le chargement	the shipment
associés	partners
l'assemblée générale	the general meeting
le conseil d'administration	the board of directors
proposer	to propose
fonder	to found, establish
le banquier	the banker
opérer	to work, to do business
s'efforcer	to endeavour
la caisse	the account
renvoyer	to return (send back)
dans ce cas-là	in that case
une différence	a difference
quintaux	cwts.
les poids	the weights
le quayage *les droits de quai*	wharfage
emmagasiner	to store
contre remboursement	cash on delivery
s'écarter	to depart from
améliorer	to improve
recommencer	to recommence
les appointements	the salaries
le courtier	the stockbroker
la farine	the flour
chemin faisant	on the way
favorable	favourable
en profiter	to profit by it
à moins que —— ne	unless
le caboteur	coasting-vessel
machine à coudre	sewing-machine

Traduisez en anglais.

1. *Nous avons reçu votre honorée du onze écoulé en temps voulu.*
2. *Nous nous empressons de vous faire savoir que nous ferons tout notre possible pour vous.*
3. *Nous voulons bien vous nommer comme notre représentant dans votre ville.*
4. *Il vous faut activer la vente de nos articles ; sans doute vous réussirez.*
5. *Vous pouvez garantir nos bicyclettes de course selon les détails dans notre catalogue.*
6. *Il espère que vous lui enverrez bientôt vos instructions à l'égard du chargement.*
7. *J'ai l'honneur de vous informer que j'ai pris comme associés mes deux fils.*
8. *L'assemblée générale des actionnaires de cette Compagnie a été tenue à Londres.*
9. *Le président a exprimé les regrets du conseil d'administration de ne pouvoir proposer aucun dividende.*
10. *La maison que nous venons de fonder a pour but toutes les opérations de banque.*
11. *Je suis sûr que ce banquier fera le nécessaire pour servir vos interêts.*
12. *Notre connaissance des affaires nous permettra d'opérer à des conditions très avantageuses.*
13. *Nous vous assurons que nous nous efforcerons de mériter votre confiance.*
14. *Vous achèterez les marchandises en question, si les prix du jour sont avantageux.*
15. *C'est à ma caisse que l'on paiera cette traite.*
16. *Je vous remercie sincèrement des nombreuses marques d'amitié que vous m'avez données.*
17. *Nous vous prions de nous indiquer dans votre prochaine le montant des droits.*
18. *Permettez-moi de solliciter les mêmes faveurs pour la nouvelle maison.*
19. *La région du Congo occupe la première place pour le commerce de l'ivoire.*
20. *Je suis certain que vos clients seront contents des machines à coudre.*

Translate into French.

1. What are we to do in this matter? We cannot have the goods returned to us.
2. In that case, you must make the allowance which they claim.
3. There is a difference of 16 cwts. between the weights invoiced and those of the Customs.
4. The wharfage alone amounts to fifty-four pounds sterling.
5. The greater part of the cargo of corn has been stored at the docks.
6. Our terms are always cash on delivery; we cannot depart from this rule.
7. Without doubt, we have done very well; but we hope to improve each year.
8. You must re-commence work on Monday; we cannot allow you a longer holiday.
9. From the 1st of January next the salaries of the clerks will be advanced 5 per cent.
10. I have just been to the stockbroker's; he has sold those shares for a good price.
11. The 100 tons of flour for your account is now on the way from Sydney.
12. The cargo will arrive at a favourable time; we hope you will profit by it.
13. We cannot accept invoices unless a statement is enclosed with them.
14. Send the goods by canal and coasting vessel; it will be much cheaper.
15. I have just paid a premium of 7½ per cent. for the insurance of the cargo.
16. We send you herewith the receipt and thank you very much for your attention.
17. If you decide to pay prompt cash, we will allow you a better discount.
18. As soon as shipment is effected, we will pay cash against documents.
19. Send the boy to the post and have this parcel insured for £20.

COMMERCIAL GERMAN

Continued from page 385

Key to Exercises in Part 8 (p. 385).

Die gesandte(n) Ware(n). Der von uns gesandte Artikel. Die vor drei Wochen von uns gesandte Kiste. Das von Ihnen gesponnene Garn. Das von Ihnen gefärbte Garn. Das vor drei Tagen von Ihnen gefärbte Tuch. Das von Ihnen bestellte Tuch. Das vor zwei Wochen von uns bestellte Tuch. Die verpackte(n) Ware(n). Die vor zwei Tagen von uns verpackte(n) Ware(n). Die an Sie gesandte(n) Ware(n). Der von uns ausgestellte Vertrag. Die von Ihnen berechneten Spesen. Die beschädigte(n) Ware(n). Der vor zwei Jahren von uns bezahlte Betrag. Der steigernde Preis. Das vor zwei Jahren von uns eröffnete Zweiggeschäft. Die vor zehn Jahren gegründete (errichtete) Firma. Die vor zwei Jahren eröffnete Färberei. Die vor vierzehn Tagen von uns bestellte Farbe. Wir können Ihnen die vor zwei Tagen von Ihnen bestellte(n) Ware(n) nicht schicken. Der von uns abgeschriebene Brief. Die von Ihnen gesandte Faktura.

The large town is beautiful (*or* fine). When will you visit the fine town? The long train is starting. Where is the train which is leaving (*or* starting)? Do you see the sinking sun? I see it. The typist who is crossing the road is taking the parcel to the post. The chair which is standing is new. The chair which is lying is old. The sleeping dog is very tired. The burning lamp costs 5 marks (= shillings). The typist who is writing is called Miller *or* the name of the typist writing is Miller. The name of the typist writing the invoice is Miller. What is the name of the traveller who is coming into the room? The errand boy who is going into the shop. What is the name of the girl who is singing? What is the name of the lady who is singing the song? Laughing, he says that the goods are very cheap. Smoking, he came into the garden. Singing, he goes into the room. Whistling, the errand boy goes over the bridge. (N.B. In the examples just given, the English rendering would be better if the Present Participle were placed at the end of the sentence.) I generally work standing. Without seeing the metal, I can tell you it is too dear. I cannot tell you how long the table is without measuring it. I cannot touch the picture without getting (*or* standing) up. Is the price high? Without asking him, I really cannot tell you. Without knowing the firm, I can tell you that it sells good wares. After nine o'clock the opening of doors is forbidden. Much questioning tires both the person questioned and the questioner. The copying of the orders takes (*lit.* lasts) a long time. He went away without answering the letter.

LESSON IX.

In German we can form a noun from every Adjective [Present and Past Participles are considered here as Adjectives] by adding an *e* to the Nominative Singular. According to the meaning, the noun is masculine when referring to males, feminine when referring to females, and neuter when referring to things. From some Adjectives it is possible to form three nouns; others allow only the formation of one or of two.

ADJECTIVES.		**Nouns formed from Adjectives.**
fremd	strange, foreign	*das Fremde* — things which are foreign. *der Fremde* — the stranger (man). *die Fremde* — the stranger (woman).
alt	old	*das Alte* — things which are ancient. *der Alte* — the aged man. *die Alte* — the aged woman.
krank	sick, ill	*der Kranke* — the patient (m.). *die Kranke* — the patient (f.).
reich	rich	*der Reiche* — the wealthy / rich man. *die Reiche* — the wealthy lady.

PRESENT PARTICIPLES.		**Nouns formed from Present Participles.**
reisend	travelling	*der Reisende* — the traveller (man). *die Reisende* — the traveller (woman).
fragend	asking	*der Fragende* — the man who is asking. *die Fragende* — the lady who is asking.
stehend	standing	*der Stehende* — the man who is standing. *die Stehende* — the woman who is standing

ADJECTIVES.		**Nouns formed from Adjectives.**
bekannt	known	*das Bekannte* — what is known. *der Bekannte* — the acquaintance (m.). *die Bekannte* — the acquaintance (f.).

unbekannt unknown
- *das Unbekannte* — what is unknown.
- *der Unbekannte* — the stranger (m.).
- *die Unbekannte* — the stranger (f.).

PAST PARTICIPLE.

gelehrt taught
- *das Gelehrte* — Things which have been taught.
- *der Gelehrte* — the learned man.
- *die Gelehrte* — the learned woman.

gefragt asked
- *der Gefragte* — the man who has been asked.
- *die Gefragte* — the woman who has been asked

Nouns may also be formed in German, as in English, from the Infinitive of the verb.

sprechen to speak
- *der Sprecher* — the speaker, the spokesman
- *die Sprecherin* — the speaker

Nouns formed from Past Participles.

sprechen to speak
- *der Sprechende* (m) / *die Sprechende* (f.) — the speaker, i.e. the person who is speaking at the moment.

lehren to teach
- *der Lehrer* — the teacher (m.).
- *die Lehrerin* — the teacher (f.).
- *der Lehrende* (m.) / *die Lehrende* (f.) — the person teaching at the moment.

verpacken to pack
- *der Verpacker* — the packer (m.).
- *die Verpackerin* — the packer (f.).
- *der Verpackende* (m) / *die Verpackende* (f.) — the person who is just packing, etc.

THE FIRST AUXILIARY VERB.

haben [*habe, hatte, gehabt*], to have.

Participles.

PRESENT: *habend*, having. PAST: *gehabt*, had.

INDICATIVE MOOD. PRESENT TENSE.			SUBJUNCTIVE MOOD.		
ich habe	I	have	*ich habe*	I	(may) have
er, sie, es hat	he, she, it	has	*er, sie, es habe*	he, she, it	(may) have
wir, Sie, sie haben	we, you, they	have	*wir, Sie, sie haben*	we, you, they	(may) have

IMPERFECT.

ich, er, sie, es hatte	I, he, she, it	had	*ich, er, sie, es hätte*	I, he, she, it	had
wir, Sie, sie hatten	we, you, they	had	*wir, Sie, sie hätten*	we, you, they	had

PERFECT.

ich habe . . . gehabt	I have had		*ich, er, sie, es habe . . . gehabt*	I, he, she, it	have had
er, sie, es hat . . . gehabt	he, she, it	has had			
wir, Sie, sie haben . . . gehabt	we, you, they	have had	*wir, Sie, sie haben . . . gehabt*	we, you, they	have had

PLUPERFECT.

ich		I		*ich*		I	
er		he		*er*		he	
sie	*hatte . . . gehabt*	she	had had	*sie*	*hätte . . . gehabt*	she	had had
es		it		*es*		it	
wir		we		*wir*		we	
Sie	*hatten . . . gehabt*	you	had had	*Sie*	*hätten . . . gehabt*	you	had had
sie		they		*sie*		they	

FUTURE.

ich werde . . . haben		I shall have		*ich*		I shall have	
er		he		*er*		he	
sie	*wird . . . haben*	she	will have	*sie*	*werde . . . haben*	she	will have
es		it		*es*		it	
wir		we shall have		*wir*		we shall have	
Sie	*werden . . . haben*	you	will have	*Sie*	*werden . . . haben*	you	will have
sie		they		*sie*		they	

FUTURE PERFECT.

ich werde . gehabt haben		I shall have had		*ich*		I shall have had	
er		he		*er*		he	will
sie	*wird . . . gehabt haben*	she	will have had	*sie*	*werde . . . gehabt haben*	she	have had
es		it		*es*		it	
wir		we shall have had		*wir*		we shall have had	
Sie	*werden . . . gehabt haben*	you	will have had	*Sie*	*werden . . . gehabt haben*	you	will have had
sie		they		*sie*		they	

CONDITIONAL.

ich		*ich*		I should have	
er		*er*		he	
sie	*würde . . . haben* OR	*sie*	*hätte*	she	would have
es		*es*		it	
wir		*wir*		we should have	
Sie	*würden . . . haben* OR	*Sie*	*hätten*	you	would have
sie		*sie*		they	

PAST CONDITIONAL.

ich		*ich*		I	should	
er		*er*		he		
sie	*würde . . . gehabt haben* OR	*sie*	*hätte . . . gehabt*	she	would	have had
es		*es*		it		
wir		*wir*		we should have had		
Sie	*würden . . . gehabt haben* OR	*Sie*	*hätten . . . gehabt*	you	would have had	
sie		*sie*		they		

IMPERATIVE MOOD.

er / sie / es *soll . . . haben !* let (him / her / it) have !

haben wir ! / *lasst uns haben !* / *wir wollen haben* — let us have !

haben Sie ! have !

sie sollen haben ! let them have

EXERCISE.

Der Unbekannte wird eine lange Reise gemacht haben. Vor dem Krieg (war) *hatte der Lehrer viele Schüler gehabt. Wenn ich den Kranken gekannt hätte, so würde ich mit ihm gesprochen haben. Hätte ich das gewusst, würde ich der armen Alten etwas gegeben haben. Der Gelehrte sagt, dass wir viel Regen bekommen werden. Die Fremden werden keine Briefe gehabt haben. Die Verpacker hatten sieh grosse Mühe gegeben.*

COMMERCIAL SPANISH

Continued from page 388

KEY TO EXERCISES IN PART 8 (p. 388).

1. I cannot send you the box of silk, unless you pay me at once. 2. On account of the great rise in the price of cotton, I could not place your order at less than 2¼d. 3. I want you to send me a dozen shirts by return of post. 4. You must insure this shipment for £200. 5. Provided you obtain for me the greatest advantages, I authorise you to put this order in work. 6. Notwithstanding the delay that there has been in the shipment, we will accept the goods. 7. I have bought a good lot of clothing second-hand. 8. I am surprised that you have not yet shipped the costumes. 9. Press forward the delivery as much as possible, so that the goods may arrive in time for the November fair. 10. He does not want you to allow him anything. 11. Remit me the balance of the account, so that I may not be without the money. 12. In case you buy it, I will take the half. 13. I will show you the report, provided you wish it. 14. The forks and knives have been shipped already by a very fast steamer. 15. Your esteemed order has received our best attention. 16. This offer is really very low, but we accept it, so that you may not be without the article. 17. I prefer my goods to yours, as they are much nicer.

1. *Quiero que Vd. me envíe estas muestras á vuelta de correo.* 2. *Á menos que Vd. pueda obtener las calidades á precios bajos, no queremos colocarlas.* 3. *Nos extraña que Vd. no haya podido subsanar este negocio sin pérdida.* 4. *Le pedí que activase la entrega de esta mercancía, pero temo que no la haya ejecutado todavía.* 5. *Antes que embarquemos la mercancía á otras casas, esperamos poder embarcar la suya.* 6. *En caso de que reciba Vd. noticias de mi cliente, asegure la mercancía sin demora.* 7. *Su lona es mejor que la mía, pero la mía es más fuerte.* 8. *No los envié á un amigo de Vd., sino á un amigo de mi hermano.* 9. *Por lo general cuidamos de que estos géneros sean empaquetados cuidadosamente.* 10. *Sentimos la molestia que Vd. ha tenido con este artículo.* 11. *No se lo daré á Vd. hasta que reciba noticias de su padre.* 12. *Extrañaba que aun no hubiese Vd. reanudado los embarques.* 13. *Luego que recibí su esquela, fuí á ver á mi cliente.* 14. *Nos atrevemos á esperar, sin embargo, que Vd. lo recibirá antes que yo vuelva.* 15. *Deseo que Vd. me devuelva la tela cruda y las camisas, para que pueda abonarle el descuento.* 16. *¿ Qué quiere Vd. decir ?* 17. *Quería que ellos nos mandasen los documentos luego que los recibiesen.* 18. *No pude conservar más tiempo las sábanas. de modo que las vendí al comprador alemán.* 19. *El costo de la madera al principio del año estaba más alto de lo que está ahora.* 20. *Vd. debía haberme dicho esto antes.*

LESSON IX.

RELATIVE PRONOUNS.—These are—

quien (masc. and fem.), *quienes* (plur.), who ;
que, who, which, that ;
cual (masc. and fem.), *cuales* (plur.), which ;
cuyo, whose, of whom, of which.

Que is invariable, and *quien* and *cual* are the same for the feminine as for the masculine, but form their plural by adding *es*. *Cuyo* changes to *cuya* for the feminine singular, and *cuyos* and *cuyas* for the masculine and feminine plural respectively.

"That" and "which" are often omitted in English, but *que* is seldom omitted in Spanish.

EXAMPLE—

The books I sent last night :
Los libros que envié anoche.

Cual is also preceded by the Definite Article, and is often used after a preposition, as—

El libro del cual he hablado.
The book of which I have spoken.

El cual, la cual, etc., are often used instead of *que* to avoid ambiguity ; but where this is not likely to arise, *que* is much preferable for "that," "which," OR "who," used relatively, except where a preposition precedes.

Cual is used idiomatically for "like," in the same way as *como*. For instance, *cual siempre* for *como siempre*, as always (OR usual) : *cual amigo* like a friend ; *tal cual* (*está*), just as it is.

As has been already mentioned, *cual* does not take the Definite Article when interrogative, or after the verbs *saber, decir*, etc. (i.e., an indirect interrogative), as—

¿ Cuál es mejor ? Which is best ?
No sé cuál es mejor.
I do not know which is best.

"That which," "Which," "What." When "which" OR "what" has the meaning of "that which," and refers rather to a whole phrase than to a word, it is rendered in Spanish by *lo que*, as—

Lo que me agrada es que viene temprano.
What pleases me is that he comes early.
Me escribió dos cartas, lo que me causó mucho contento.
He wrote me two letters, which caused me much satisfaction.

After a preposition, *que* may also be used as well as *cual*, for "which," as—

Su carta de Vd., en la que me ha dicho esto.
Your letter in which you have told me this.

VERBS.—In addition to what has already been stated, the following remarks may be made about **Reflexive Verbs.**

Many Spanish verbs are made Reflexive just to add emphasis, as—

saber, to know	*saberse*, to know very well
ir, to go	*irse*, to go away
entender, to understand	*entenderse*, to arrange, to know what one is about

IMPERATIVE.

The Imperative of Reflexive Verbs is formed as follows—

LAVARSE, to wash oneself.

lávate, wash thyself
que él se lave, let him wash himself
lávese Vd., wash yourself
lavémonos, let us wash ourselves
lavaos, wash yourselves
que ellos se laven, let them wash themselves
lávense Vds, wash yourselves

Impersonal Verbs. There are many verbs in Spanish called Impersonal Verbs, such as LLOVER, to rain; NEVAR, to snow; AMANECER, to dawn; PARECER, to seem; HABER, there to be; etc. These are used only in the 3rd Person, thus: *llueve*, it rains (OR is raining); *amanece*, it dawns; *me parece*, it seems to me; *había dos*, there were two.

The verb HACER (to make) is used impersonally in sentences referring to the weather or time, as—

hace frío, it is cold; *hace buen tiempo*, it is fine; *hace calor*, it is warm; *hace mal tiempo*, it is bad; *hace sol*, it is sunny; (weather)
hace luna, it is moonlight

AGO is rendered by the 3rd Person Singular of HACER, as—

hace dos años, two years ago

Note also—

Hace dos semanas que estoy aquí.
I have been here two weeks.

GUSTAR (to like) is also used impersonally, thus:

Me gusta este hombre (literally, this man pleases me).
I like this man.

Los géneros no le gustaron.
He did not like the goods (lit., the goods did not please him).

IMPORTAR (to matter) is also used impersonally, as—

No importa.
It does not matter.

Á él no le importa.
It does not matter to him; he does not care.

HABER (to have) is used impersonally, with the meaning of "there to be," as—

Hay algunas personas, there are some persons; *los hay que dicen*, there are some (those) who say;

había mucha gente, there were many people; *ha habido*, there has been.

si lo (OR *los*) *hay*, if there is (OR are) any.

Note also: *hay que*, it is necessary.

EXAMPLE. *Hay que andar con mucha cautela*, it is necessary to (OR you must) proceed with much caution.

Irregular Verbs.

HACER, to do, to make.

Pres. Ind. —*Hago, haces, hace, hacemos, hacéis, hacen.*
Past Def. —*Hice, hiciste, hizo, hicimos, hicisteis, hicieron.*
Future —*Haré, harás, hará, haremos, haréis, harán.*
Cond. —*Haría, harías, haría*, etc.
Imperative —*Haz, haga; hagamos, haced, hagan.*
Past Part. —*Hecho.*

SABER, to know, to be able.

Pres.Ind. —*Sé, sabes, sabe, sabemos, sabéis, saben.*
Past Def. —*Supe, supiste, supo, supimos, supisteis, supieron.*
Future —*Sabré, sabrás, sabrá, sabremos, sabréis, sabrán.*
Cond. —*Sabría, sabrías, sabría*, etc.
Imperative —*Sabe, sepa; sepamos, sabed, sepan.*

NOTES. All Spanish verbs are Regular in the Imperfect, except: *ser*, to be; *ver*, to see; *ir*, to go.

SER. Imperfect —*era, eras, era*, etc.
VER. ,, *veía, veías, veía*, etc.
IR. ,, *iba, ibas, iba*, etc.

All Spanish verbs are Regular in the Future and Conditional, except the following—

	Future.	Conditional.
caber, to be contained	*cabré*, etc.	*cabría* etc.
decir, to say	*diré* ,,	*diría* ,,
haber, to have	*habré*, ,,	*habría*, ,,
hacer, to do, to make	*haré*, ,,	*haría*, ,,
poder, to be able	*podré* ,,	*podría*, ,,
poner, to put	*pondré*, ,,	*pondría* ,,
querer, to like, to will	*querré* ,,	*querría* ,,
saber, to know	*sabré*, ,,	*sabría*, ,,
salir, to go out	*saldré*, ,,	*saldría*, ,,
tener, to have	*tendré*, ,,	*tendría*, ,,
valer, to be worth	*valdré*, ,,	*valdría*, ,,
venir, to come	*vendré*, ,,	*vendría*, ,,

and a few of their derivatives, as: *rehacer*, to do again; *predecir*, to predict; *obtener*, to obtain; *prevaler*, to prevail; *reponer*, to replace; *requerer*, to require, etc.

VOCABULARY.

although, *aunque*
as for, as regards, *en cuanto á*
besides, *además* (*de*)
the allowance, *la bonificación*
the cattle, *el ganado*
the customer, *el parroquiano, el cliente*
early, *temprano*

the funds (money), *los fondos*
the fur, *la piel*
the harm, *el daño*
lined, *forrado*
the information, *los informes*
in fact, *en efecto*
the country, *el campo, el país*
free on board, *franco* (OR *puesto*) *á bordo*
the gross, *la gruesa*
the journey, *el viaje*
obliged, *agradecido*
the question, *la cuestión* (the matter); *la pregunta* (the enquiry)
the postman, *el cartero*
nowadays, to-day, *hoy día*
the news, *las noticias*
the retail sale, *la venta al por menor*
the sailing vessel, *el buque de vela*
so, *tan*
the soap, *el jabón*
the statement, *el estado de cuenta*
such, *tal* (pl. *tales*)
the workshop, *el taller*
the wholesale business, *los negocios al por mayor*
upwards, *para arriba*
the strike, *la huelga*
the subject, *el asunto*
the tongue, *la lengua*
the traveller, *el viajero*
whilst, *en tanto que*
to anchor, *fondear*
to ask (enquire), *preguntar*
to ask (request), *pedir*
to agree, *convenir* (*en*)
to be wrong, *no tener razón*
to be right, *tener razón*
to go on strike, *declararse en huelga*
to hear, *oir*; *saber* (to hear of)
to land, *desembarcar*
to post, *echar al correo*
to observe, *observar*
to possess, *poseer, contar con*
to register, *certificar*
to rob, *robar*
to suspend (to stop), *suspender*

Exercise 17.

1. *Él se sabe lo que hace.* 2. *He echado la carta al correo tal cual estaba.* 3. *En cuanto á los fondos, remítame algunos á vuelta de correo.* 4. *No me gusta en nada* (at all) *este artículo, es demasiado ligero* (light). 5. *¿ Porqué no han certificado Vds las cartas, las cuales no han llegado á nuestras manos ?* 6. *Vds nos cargan un precio por las listas* (stripes) *y otro por los cuadros* (checks). 7. *Desde hace tiempo está en esta ciudad.* 8. *¿ Á mí qué me importa lo que él diga ?* 9. *¿ Cuándo hizo Vd. la remesa en cuestión ?* 10. *Me pidió que le hiciera esta pregunta.* 11. *Cuando supe que había llegado mi parroquiano, fuí en seguida á encontrarle.* 12. *Vd. no quiso que ellos supieran tal cosa.* 13. *En efecto no había ganado alguno en plaza* (the market). 14. *Han tenido Vds razón al embarcar la piel por este buque.* 15. *El jabón se ha embarcado por un buque de vela.* 16. *Quiero que Vd. me haga una bonificación que corresponda* (Pres. Subj. of *corresponder*, to correspond) *á esta pérdida.* 17. *El fabricante ha convenido en abonarnos ½d. la yarda.* 18. *Pida Vd. al fabricante que suspenda todo* (every) *embarque hasta nuevo aviso.* 19. *Las ventas al por menor han sido en muy pequeña escala* (on a very small scale). 20. *Me preguntó si yo sabía la dirección de Vd.* 21. *Los informes que hemos recibido acerca de esta casa son tan poco favorables* (unfavourable) *que no aceptamos su pedido.* 22. *En los talleres se ha suspendido por completo el trabajo.* 23. *Hoy día los negocios al por mayor no son tan importantes como la semana pasada.*

Exercise 18.

1. We made them a shipment by the sailing vessel, whilst our competitor made a shipment by steamer. 2. All the customers were in the market early. 3. You are quite right (*tiene Vd. mucha razón*), but I shall soon know whether he has paid the account. 4. Make me a remittance as soon as you can; I am short (*estoy escaso*) of funds. 5. I only knew last night that the vessel had anchored. 6. I hope you will make me a good allowance. 7. We send you herewith a statement, so that you may see what we have charged you. 8. I shall make you a remittance of money to-morrow. 9. Which of your furs is the dearest? 10. We wish this case to be lined with tin (*hojalata*). 11. We ask you to give us all the information you can about this house. 12. Tell him that he is wrong; he has not paid us at all (*de ningún modo*). 13. The postman delivered us several (*varias*) registered letters, besides some others. 14. We are engaged (*estamos ocupados*) in the wholesale business, and so (*por eso*) we can only sell them by the gross (*por gruesas*). 15. I did not know which was your friend's quality; do you know which is his? 16. Nowadays everybody wishes to buy cheap, but the tendency (*tendencia*) of prices is upwards. 17. He went away last night, but he is likely to (it is probable that he may) return to-morrow. 18. We are much obliged to you for your kindness in this matter (*asunto*). 19. All the workmen (*obreros*) have gone on strike. 20. Send me some good pieces, if there are any. 21. I will take the fur just as it is. 22. He made me a good allowance, which pleased me very much. 23. We sent them to you a year ago.

ELEMENTARY ITALIAN

Continued from page 389

LESSON IX.

THE ORDINAL NUMBERS

(Gli Ordinativi).

primo	1st	*sesto*	6th
secondo	2nd	*settimo*	7th
terzo	3rd	*ottavo*	8th
quarto	4th	*nono*	9th
quinto	5th	*decimo*	10th

undicesimo or *decimoprimo* 11th
dodicesimo or *decimosecondo* 12th
tredicesimo or *decimoterzo* 13th
quattordicesimo or *decimoquarto* . . . 14th
quindicesimo or *decimoquinto* 15th
sedicesimo or *decimosesto* 16th
diciassettesimo or *decimosettimo* . . . 17th
diciottesimo or *decimottavo* 18th
diciannovesimo or *decimonono* 19th
ventesimo 20th

The Ordinals corresponding to *trenta* (30), *quaranta* (40), *cinquanta* (50), *sessanta* (60), *settanta* (70), *ottanta* (80), *novanta* (90), *cento* (100), are formed by cutting off the final vowel and adding *esimo*, e.g. *trentesimo*, *quarantesimo*, etc. The intermediate numbers are obtained by adding *primo*, *secondo*, etc., to those just mentioned, e.g. *ventesimoprimo* (21st), *trentesimosecondo* (32nd), *quarantesimoterzo* (43rd), *centesimoquarto* (104th), etc. From 110 upwards *cento* and not *centesimo* is used with the following ordinal, e.g. *centodecimo* (110th), *centundicesimo* (111th), *centododicesimo* (112th), *centoventesimo* (120th), *centonovantesimoquarto* (194th). *Dugentesimo* is commonly used for 200th and *millesimo* is 1,000th.

As in English, the ordinal numbers are used with names of kings, etc., *Giorgio quinto* (George V). Fractional numbers are formed by prefixing the article, e.g. *un quarto* ($\frac{1}{4}$), *un trentesimo* ($\frac{1}{30}$).

GENERAL REMARKS ON THE NUMERALS.

The multiplicatives double, treble, quadruple, hundredfold are rendered by *doppio*, *triplo*, *quadruplo*, *centuplo*. Twofold, threefold are translated *duplice*, *triplice*.

Various substantives are formed from the numerals, e.g. *una decina*, (a group of) ten ; *una dozzina*, a dozen ; *una quindicina*, (a group of) fifteen ; *una ventina*, a score ; *una trentina*, (a group of) thirty ; *un centinaio* (a group of) a hundred. These require the preposition *di*, e.g. *una decina di libri*, (about) ten books ; *una ventina di persone*, a score of people. The plurals of *centinaio* (*m.*) and *migliaio* (*m.*) are feminine and irregular, *delle centinaia*, hundreds ; *delle migliaia*, thousands. *Un paio* (a pair) also becomes *delle paia* in the plural.

Mezzo (half) agrees with the noun or remains invariable according to its position before or after the noun, e.g. *mezza lira*, half a franc ; *una mezza libbra*, half a pound ; *tre lire e mezzo*, three and a half francs ; *tre libbre e mezzo*, three and a half pounds.

As in English the numbers are often used without a noun, e.g. *tre più cinque, otto*, three and (*or* plus) five are eight ; *sono le tre e mezzo*, it is half-past three. *In primo luogo*, in the first place ; *in secondo luogo*, in the second place, are also used for firstly, secondly, etc. *Per la prima volta*, for the first time, is often rendered by the adverb *prima*, first.

The ordinal numbers agree with the noun to which they belong.

Tutti (*m.*) *e due*, *tutte* (*f.*) *e due* (both) are often rendered *tutt'e due*. In the same way *tutt'e tre*, *tutt' e quattro*, etc., are used for all (the) three, all (the) four, etc.

Past Definite of "Stare."

(*Io*) *stetti*, I was	(*noi*) *stemmo*, we were
(*tu*) *stesti*	(*voi*) *steste*
(*egli*) *stette*	(*essi*) *stettero*

N.B.—This verb is conjugated with *essere*, e.g. *sono stato*, I have been—The Past Participle agrees with the subject in number and gender.

VOCABULARY.

la coppia, the couple	*la scarpa*, the shoe
domani (*a*) *otto*, to-morrow week	*avventore*, customer
	la stagione, the season
otto giorni fa, a week ago	*la primavera*, spring
	l'estate, summer
poi, then	*l'autunno*, autumn
il capitolo, the chapter	*l'inverno*, winter
lo stipendio, the salary	*il mio*, my
ora, adesso, now	*il suo*, his, her, your
or' ora, just now	*il guanto*, the glove
perchè, why ? because	*scorso*, past, last

EXERCISE.

1. The merchant bought hundreds of articles yesterday. 2. They sold the goods at double the price last week. 3. I have just now read (*letto*) the letter. 4. He has been tired (*stanco*) all the morning. 5. The clerk left last Saturday for France. 6. Have you read the second volume of this book ? 7. It is now half-past eleven. 8. Both have been here. 9. They have been living in this house for many years. 10. I have two pairs of shoes and three pairs of gloves. 11. Spring is the first season of the year. 12. They were reading the second chapter of the third volume a week ago. 13. My salary was smaller than his. 14. These customers bought (a great) many goods last winter.

RAILWAY LAW AND PRACTICE

Continued from page 300

LESSON IX

CARRIAGE OF PASSENGERS.—A railway company owes certain duties to all persons coming by invitation of the company on the company's premises or works or utilizing the company's rolling stock in a legitimate manner. The duty may be summed up in the statement that the company must keep approaches to the station, cloak-rooms, booking office, waiting-room, sanitary accommodation, platforms, and railway carriages in such condition that they are safe for the use of persons exercising ordinary care. Carriage doors must be capable of closing and opening without risk to a careful passenger, and the company is responsible if accommodation for alighting is not satisfactory and a person is injured after an invitation by a company's servant to alight.

A passenger travelling by train has the right to expect that due care shall be exercised for his safety, the mere fact that he is injured is a presumption that care was not exercised and the onus is on the company to prove the contrary. Thus, where a company cannot show what was the cause of an accident in which a passenger was injured, the presumption of negligence is not rebutted, and the company is responsible.

DUTIES OF PASSENGERS.—A person may not travel by train without a ticket, and should he do so he is liable to be removed as a trespasser. He must produce his ticket on request or in default pay his fare from where he started. He may not enter a train that is already full; should he do so he must leave if requested by an authorised servant of the company or another passenger. A passenger smoking in a non-smoking compartment is liable to penalties, as is also a male passenger over eight years of age forcing himself into a compartment reserved for ladies.

NON-PAYING PASSENGERS.—A railway company is bound to carry by its ordinary trains children under the age of three without fare, and children over three and under twelve at half the fare charged to an adult. Sometimes in spite of the fact that a person is travelling without his ticket responsibility may be incurred by the railway company for injury done to the person. As, for example, where a mother carrying a child of three years and two months old refrained from taking a ticket for the child, but purchased her own ticket, it was held that an injury done to the child in the course of the journey through the negligence of the railway company was actionable.

TIME TABLES.—A railway company issuing time tables is bound by the representations contained therein, the only exceptions serving as an excuse being due to Acts of God. If a railway company fails in this respect a person injured by the failure will be entitled to recover from the company the cost of conveyance substituted for the conveyance which they have failed to provide according to time table. Thus, where a railway company in its time table advertises a train at 11.30 p.m. and withdraws the train without giving sufficient notice, a person who has relied upon and booked a ticket for the 11.30 would be justified in adopting all reasonable measures to complete his journey and would be able to charge reasonable cost against the company. The question of reasonableness turns upon whether the person would in a prudent way of business incur the expense on his own account.

NEGLIGENCE.—It should be remembered that three classes of persons come on to a railway company's premises and use its equipment: (1) the person who takes a ticket and is under contract, (2) the person who has a bare licence to be present, and (3) the person who has no right but is merely on the premises on sufferance.[e] Liability of the railway company for negligence differs materially in each case, but the principle underlying the law is the same. This is set out in so far as it concerns persons under contract in the first paragraph of the present lesson. Liability for negligence to a certain extent depends on the nature of the neglect. Thus, liability for leaving impedimenta on an unlighted station platform differs from the liability for injury due to collision. Where the negligence consists of some injury done by a moving vehicle, inquiry must be made into the authority under which the vehicle runs. A foot passenger run down by a motor car has equal rights to the road with the occupant of the car, and, both being equally entitled, the onus is on the foot passenger to show negligence on the part of the driver. Where the accident is done to a passenger riding in a vehicle the position is different. The contract with the passenger includes an implied undertaking to carry with due care, as we have already seen. This produces a peculiar position that was found in the case of *Redhead* v. *Midland Railway Company*, in which a passenger and his goods were injured in a railway accident. The railway company was in a position to show that the accident was not due to negligence; they were therefore not liable for damage to the passenger but as common carriers and insurers of luggage they were responsible for injury to the goods. Further, it should be remembered that the ticket issued to a passenger together with any conditions *expressly referred to* in the ticket forms the contract with the passenger and is binding upon him even to the exclusion of negligence.

SHIPPING LAW

Continued from page 391

LESSON IX.

INSURABLE LOSSES.—Losses against which the shipowner and shipper of goods will endeavour to protect themselves are either total or partial, whilst in their turn total losses may be divided into actual or constructive. The main distinction between an actual and constructive loss is that in the former case the thing covered by insurance ceases to exist, whilst in the latter it still continues in existence, but for all practical purposes is abandoned by reason that salvage would be as expensive as replacing. Actual loss occurs where ship or cargo are destroyed by fire or sinking. Similarly, a ship is deemed to be totally lost after being missing for a reasonable length of time. Cargo is totally lost if it is in any way destroyed by perils of the sea or any of the risks insured against, or if it is so changed in form as to be valueless to the shipper.

CONSTRUCTIVE TOTAL LOSS.—A constructive total loss is, from an insurance point of view, as much a loss as the actual destruction of the goods. A person who is insured, when claiming for such loss, must be able to show that the circumstances are such that a reasonably prudent man of business would not go to the expense of attempting to recover the goods or ship, since the market value when recovered would probably be less than the cost of recovery. The insured has in such circumstances the right to claim for a partial loss and to retain the damaged materials for what they are worth, or he may claim for total loss giving notice of abandonment to the underwriters. When notice of abandonment is given the underwriters take over or are subrogated to all the rights of the assured.

PARTIAL LOSS.—When claiming for partial loss the assured will be able to recover that proportion of the damage done which bears the same relation to the total value of the goods shipped as does the amount for which the property is insured, save that he will be unable to recover more than the value of the goods. Thus, if the goods are insured for £1,000 and are actually worth £2,000, the assured will receive £500 if half the goods are lost, although the actual loss is £1,000 to which amount he is covered.

GENERAL AVERAGE.—Partial losses include the liability of a shipowner or the owner of cargo to pay general average contribution. Where in the course of a voyage a ship's master finds it necessary to incur some expense or to make some sacrifice of cargo or equipment for the general benefit of the ship, owners of cargo and owners of freight, the loss so incurred must be made good by those who are benefited in proportion to the values of their respective risks at stake in the venture. Hence a particular owner, although actually receiving his cargo in full, will, nevertheless, be called upon to contribute to make good the loss of another cargo owner. The sacrifice made is a general average sacrifice, the loss caused is a general average loss, and contribution made by an individual is a general average contribution. As such loss is incidental to sea traffic it is an insurable risk and will be covered by the policy.

PARTICULAR AVERAGE LOSS.—Where the loss sustained falls upon the individual to whom the property damaged belongs with no right of contribution from any other person, the loss is a particular average loss. There is, in reality, no question of average, but the term is used to distinguish such a loss from a general average loss. Further information on these subjects should be sought in the lessons on Marine Insurance.

INSURANCE AGAINST ALL RISKS.—The student should notice that throughout the law of Marine Insurance, and indeed throughout all legal subjects, technical expressions will be found having a definite and precise meaning understood by persons engaged in the particular branch of trade to which they apply. The wording of a policy has come to be understood to have only one meaning, and but recently it has been laid down that the expression "insure against all risks," found in directions to an agent, is not meant to include every possible risk of every kind, but has a well-known limited meaning, which, for example, does not include risk of non-delivery.

PERILS OF THE SEA.—The expression "Perils of the Sea" is more restricted in its meaning than the layman would suppose. For example, insurance against perils of the sea will not include the ordinary action of the wind and waves. It does cover loss through contact between cargo and sea water if arising from accidental causes. Where, for example, rats gnawed through lead pipes, admitting the sea, thus damaging the cargo, the loss was due to a peril of the sea, but had the rats directly damaged the cargo by eating or otherwise destroying it, the rats would have been the *proximate cause* of the loss. The doctrine of proximate cause is an important point in matters of marine insurance.

MARINE INSURANCE (GAMBLING POLICIES) ACT, 1909.—In 1909 an Act was passed to prohibit the taking out of policies by persons not having an insurable interest in the subject-matter covered, that is, not having an interest in the safe arrival of the ship or in the preservation of the goods. Similarly an employee of the shipowner not being part owner is forbidden to effect an insurance either p.p.i or "interest or no interest."

SALESMANSHIP

Continued from page 375

LESSON VII.

SLIPSHOD SALESMANSHIP.—The man who is careless in detail is sadly handicapped in his work. Fortunately his blunders find him out, and his lessons are generally sharp and severe.

Take a case. A man went into a stationer's shop. "I want 500 posters in a hurry," he said. "I am going out of town and can't read the proofs, so please be careful. Send the posters right across to Hobson's Billing Company, who already have directions about posting them. Can you do it to-day?" "Yes." "This is Monday. The meeting is on Thursday, so there isn't much time. The Billing Company will post them all to-morrow morning, if they get them to-night. Here"—he produced a carefully written half-sheet of notepaper—"is the matter to be set up, and here"—he produced a double-crown poster in two colours relating to the aims and objects of the Vegetarian Association—"is the style and size of the thing I want." "Very good, sir," said the shopman.

The shopman wrote on a scrap of paper: "Five hundred copies in same style and colours as poster. Deliver to Hobson's Billing Co. 5 p.m. to-day. Our reader pass proof." Then he pinned the three pieces of paper together. His own scrap on top. The specimen double-crown vegetarian poster next; and, last of all, the half-sheet of notepaper, and sent to the printing works.

Of course, the foreman printer missed the small paper under the big one, and thought that 500 copies of the vegetarian poster were required. (The meeting that should be advertised had nothing whatever to do with vegetarianism, the poster having been picked out as a sample of good printing.) The vegetarian poster was set up, its proof was duly passed by the "reader" (who easily followed the foreman's blunder), 500 copies were printed off, dispatched to the billing company, and posted all over the town.

On Thursday the man who had given the order returned in time for his public meeting. He saw no bills about it, though a great flare of vegetarian printed matter shouted from every hoarding. In an agony he sought the billposting company, for a hall was engaged and many speakers were coming. Then he sought the printers. The shop assistant was frankly surprised. "The printers might have known——," he began.

So the meeting (for an excellent object) was a failure. There were plenty of speakers and plenty of seats, but no audience; and the shop assistant's comment was someone "might have known."

By the way, the careless and inefficient worker is always fond of that expression "might have known." Jones "might have known" that blue serge was out of stock; Smith "might have known" that the address was High Street and not Higher Street: Brown "might have known" that the trap-door was up. But what with Jones worrying over the incompleted serge orders, and Smith collecting goods in Higher Street and redelivering in High Street, and poor Brown in the hospital, it is a question whether "might have known" is a satisfactory consolation.

The man who is careless in detail is a very difficult man to work with, especially when his failing becomes known. While his fellow-workers are ignorant of his weakness, they work in good faith, sometimes falling into the trap his carelessness has prepared for them, but more generally eluding it. But once they have grasped the real character of the man, they are for ever troubled with distrust of his ways. There is referring back, inquiry, doubt, and hesitation all along the line.

This kind of man loves short cuts and abbreviations. He writes the address of a customer: "27 Ports Road."

"I've been to 27 Portsea Road and 27 Portsmouth Road," says the carman. "Stupid! You 'might have known' I meant Portsfield Road."

Of course, "Ports" is an abbreviation of Portsfield, a natural and obvious one to make, but a very difficult one to read in certain circumstances.

This kind of man sets traps for himself as well as for others. He is continually up against a difficulty of his own making. See him preparing the goods to be sent out from the order sheet he has himself written. His brow is knotted and corrugated over a line: "½ S.A." "What does it mean? Half pound of Small Apples? Half ounce of Spice, Assorted? Sugar Almonds? Stewing Apricots? What *can* it mean?"

After five minutes' wasted time, he turns to a fellow assistant. "I can't think what 'S.A.' stands for," he said. "Stupid Ass," suggests his companion.

So it does! The careless, slipshod, incomplete worker knows that pretty soon.

"It is self-evident that to insure the most permanent success in this vocation, the most faithful and painstaking attention to detail is imperative. No matter how small a customer is, he must be treated with exactly the same courtesy and consideration as a large one."

"So long as you remain a salesman, you, as well as your goods, are for sale, or, rather, you are a part of the transaction. While you occupy this position it is as necessary for you to well present yourself as it is for you to well present your goods." (Fowler's *Practical Salesmanship*.)

ADVERTISING

Continued from page 368

LESSON V.

PREPARATION OF COPY.—Advertising, as far as the preparation of copy is concerned, divides itself into two main branches: the advertising of proprietary, that is, of branded or trade-marked articles; and mail-order or postal advertising. Retail advertising, as such, is usually too limited in scope or too varied in character to lend itself to any considerable treatment outside of a special *brochure* devoted to a particular trade.

In proprietary advertising, the articles, of course, are those which can only be obtained from the factory of the advertiser, or associated group of advertisers. It can either be a speciality (i.e. something of a kind which no other advertiser can possibly make or sell), or it can be an article of general merchandise like tea, coffee, or cocoa, which is put up in some particular form and becomes noted for its constant and dependable quality. In the former case of specialised articles, such as a pill or a soap, the exact composition of which is known only to the makers, the advertiser can control the whole circumstances of the sale, and can fix the price (or, may be, refrain from fixing it) on the well-known railway charging maxim of "all that the traffic will bear." In the latter case of general merchandise, sold under an advertised brand or trade-mark, the advertiser is at times at the mercy of market fluctuations. To announce to the public the sale of a commodity at a fixed price per pound involves many difficulties, for the public often withdraws its patronage when the retail price is raised. Hence there has arisen the economic conception of "price-units," whereby the article is sold by the packet, the size of the packet being easily manipulated to take care of market fluctuations. Skilfully conducted, such changes in price can be made when necessary on so small a scale, that the consumer is hardly aware that there is a spoonful more or less in the packet.

In mail-order advertising, the advertiser can either aim at securing an immediate sale, including cash with order, or he can devise a scheme whereby the payment may be by instalments, or he can make it his chief endeavour to obtain inquiries, to be afterwards turned into results or sales, by means of appropriate follow-up treatment.

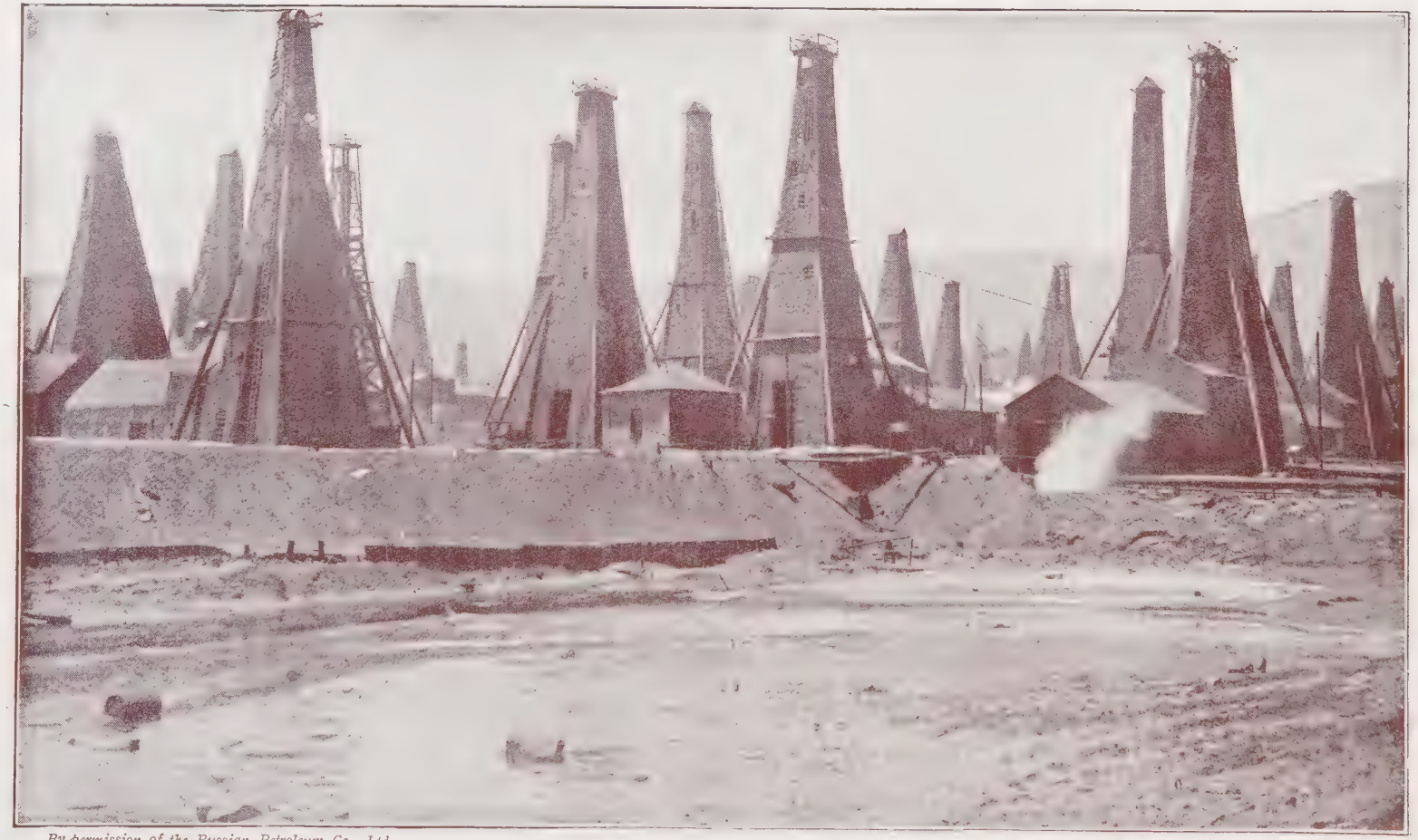
The direct or immediate sale method in mail-order advertising is applicable to those articles which are unique of their kind and which can be easily and fully or, at least, sufficiently described within the limits of a single advertisement. When, however, a full description would take up more space than circumstances justify, or when a choice of patterns or designs is available, the inquiry for further particulars or for a free catalogue or booklet should be encouraged. A clever copy writer can always draw up a mail-order advertisement to attract inquiries.

The word "copy," in the broadest sense of the term, is often used in the full printing office meaning of the whole advertisement, words and pictures, as finally approved by the advertiser. In the more limited sense of advertising circles, copy is divided into illustrations (if any), "lay out," and the copy itself (i.e. the actual wording or literary matter which tells the advertiser's story to the world).

In very few cases does it happen that the successful advertisement is the sole work of one man; and even with comparatively modest advertising schemes, it is not at all usual for the advertiser or his advertising manager to prepare copy without the aid of some technical expert.

The best advertisement illustrations are designed by "commercial artists," an expression applied to experienced draughtsmen who, endowed with sufficient skill with pen, pencil, or brush, are not too proud to place their services at the disposal of advertisers. But the commercial artist is a man who can seldom be relied on in emergencies. It is the practice in busy advertising offices not only frequently to employ an artist permanently inside, but to give work to outsiders whose craftmanship is suitable for the particular problem it is desired to solve. Some men, for instance, are so much better with simple pen-and-ink or "line" work, that it is not at all advisable to ask them to do a "wash" drawing for the more delicate half-tone reproduction or *vice versâ*.

With regard to the writing of copy, two extreme views are current, and both of them are arguably sound. One is summed up in the phrase "You never can tell"; the other is summed up in the word "psychology." The good-natured argument that is always going on between the practical and the theoretical men in the advertising world does not, however, prevent satisfactory results being achieved. The truth is that some of the most successful advertisements have been inspirations pure and simple, while many a thoughtfully worked-out piece of copy has proved itself inefficient in promoting sales. Moreover, there are dozens of examples visible on every hand where slipshod copy, ill-drawn picture, and ugly typographical display bring better results than the attempts that are sometimes made to improve it along modern lines. The good advertisement is the advertisement that sells the goods quite apart from its literary or artistic excellence.



By permission of the Russian Petroleum Co., Ltd.

THE FAMOUS "GROUP XIX" OIL WELLS AT BAKU

[Frontispiece X

BUSINESS QUALITIES

Continued from page 393

METHOD

"Order is Heaven's first law," and Nature, which is always prompt and methodical, teaches us many a lesson applicable to our daily life. In agriculture the order of the seasons must be observed; summer and winter, spring and autumn, each bring their round of work which must be done in its due season, and in its regular way. Harvest follows seed time, but we reap only as we sow, the omission of any one step in the routine that Nature demands bringing its penalty of disappointment and failure. So it is also in commercial life: method is everything that is essential to complete success. If we examine the causes of failure in business we invariably find that want of method is the real cause. The lack of methodical arrangement may not be characteristic of the business as a whole, but only a weakness in some particular direction, yet as the chain is no stronger than its weakest link the whole structure of a business may be brought to the ground.

What makes a good business man? Surely, method, above all other things. If we look around us, and note the character of the men who have built up great businesses from small beginnings we generally find that they are men who possess the gift of a methodical, arranging, and well-balanced mind; men who insist on having things regulated, systematised, and classified according to proper rules. The men who have come to the front are invariably those who have paid most attention to method. It is, indeed, amazing how some busy men of affairs transact their daily duties without haste or friction, but when we come to examine closely their methods we find that this ease and facility of execution is the result of a well-organised system. They are too, as a rule, men of poise and tranquillity of mind, firm in decision, and quick in action, because they have found that system and regularity in business have given them self-confidence and self-reliance. They have the details of their business carefully pigeon-holed, if not exactly at their fingers' ends, so that they have the immediate grip of things, and waste no time in searching for facts, nor in traversing wrong avenues of thought.

Contrast such men with others who have either hopelessly failed, or are dragging through a miserable career, only just making ends meet. Too often we find that such men have frittered away a whole lifetime in needless and unproductive operations. They devote their lives to unessential things, making the mistake of trying to do too many kinds of work, and taking up duties of a trivial nature which might properly be performed by subordinates. Then they wonder why they have never achieved anything worth while. They fail to see that herein is a want of method, a lack of ability to organise and apportion duties, and to make their own time count for something useful and progressive.

Where there is no method there is no aim, and therefore no progress. Sir W. Hamilton says: "All method is rational progress, a progress towards an end." Method is, indeed, positive movement, whilst disorder is retardation. Success is more quickly attained where method prepares the way, because it saves time, and ensures that no effort is wasted.

It has been well said that genius in the commercial world is a clear conception of what is to be done, and a correct adaptation of means to an end. There is an ever-increasing need in business for men who have learned to do work in the best way, and with the least amount of direction—men who have so organised their thinking that they can take a business matter in hand and reduce it to the simplest elements in order to arrive at a correct decision, or to work out a logical plan. It is only by such methodical analysis of facts that we can obtain the clearness and conciseness necessary to sound judgment. This faculty of working systematically is largely a matter of education and early training. There must be method in study, in reading, in observing, and in thinking. Before a man can succeed in scholarship, in business, or in anything else his thoughts must be properly organised to enable him to think on systematic lines, and to arrange his facts in a methodical way.

There is method, too, in applying that which we know. If we would reason clearly and argue well we must proceed logically, and logic is method in argument. It is obvious that a mind trained to close and acute reasoning will have a decided advantage in business over an untrained mind.

Of course it requires effort to be exact and methodical. The mind is a machine that must be brought into subjection before it can work properly. There must be method combined with perseverance and a determination to overcome such habits as lead to looseness and inaccuracy.

The harmonious working of the great machinery of civilisation undoubtedly depends on method, and just as great discoveries are the result of exact measurements and classified research, so are great businesses made and successfully carried on by careful thought and method.

COMMERCIAL ENGLISH

Continued from page 396

KEY TO EXERCISES IN LESSON IX (p. 396).

1. (*a*) You may send the news by letter, by telephone or by telegraph.
(*b*) Every one of the men but him accepts the offer.
(*c*) We must take into consideration more people than him.
(*d*) The three proposals which were placed before the committee differed very slightly.
(*e*) The train was more than an hour late, and I missed my appointment.

2. (*a*) In the poem now examined the English are represented as gaining a fortified pass by repeated resolute attacks. Their obstinate courage and vigorous onset are well illustrated by the sea that breaks the dikes of Holland with incessant battery.
(*b*) As a rule he is arrogant and dictatorial. He expected his masterful language to be taken as humour; but he appeared to flatter his own sense of importance by assuming a commanding manner. He was ironical only to those who resented it, but serious enough to those who submitted to it.

3. (*a*) Nothing but rough games pleases the boys.
(*b*) Good order, and not mean savings, produces great profit.
(*c*) A few hours' consideration is quite enough.
(*d*) Each one of the quotations was carefully considered, but none was accepted.
(*e*) Usually the duties were divided between the two clerks.

LESSON X.

ELLIPSIS.—In your anxiety to avoid the various forms of redundancy, you may be led into the opposite error, viz., the omission of words necessary for the proper construction of your sentences.

The omission of words which the reader is expected to be able to supply by means of the sense of the passage is known as Ellipsis.

Ellipsis is sometimes allowable and sometimes not allowable.

One of the most common cases of an allowable ellipsis is the omission of the relative pronoun. You may say, for example—

Here is the man WHOM *I mentioned*, or
Here is the man I mentioned;
This is the book THAT *I bought yesterday*, or
This is the book I bought yesterday.

As you already know, the chief requisite of all composition is Clearness, and this principle governs the use of ellipsis; the ellipsis which leaves any doubt as to what words are omitted is not allowable.

Again, you should not omit any words necessary for the grammatical accuracy of your sentence.

Examples of Improper Ellipsis. 1. The omission of part of a verb.

(*a*) *He neither has nor will consent.*

This ellipsis cannot be allowed, because the word implied after *has* is *consent*. The form *has consent*, however, is ungrammatical; it should be *has consented*. The sentence, then, must be given in full, as—

He neither has consented nor will consent.

(*b*) *The manufacturer neither is nor can give satisfaction.*

In this case the form of the sentence gives you to understand that the word *give* is omitted; but as *is give* is ungrammatical, the ellipsis cannot be allowed.

The sentence must be written—

The manufacturer neither is GIVING *nor can give satisfaction.*

2. The omission of the relative pronoun when it is the subject of the subordinate sentence.

In all cases of allowable ellipsis of the relative pronoun, the pronoun is the object of the subordinate sentence. (See above.)

Although you may say—

Many people have expressed dissatisfaction with the proposals,

you may not say—

There are many people have expressed dissatisfaction.

The first of these examples is a simple sentence; the second is a complex sentence, the subordinate sentence being (*who*) *have expressed dissatisfaction.* In this case, the relative, being the subject of the subordinate sentence, must not be omitted, and the sentence must be written in full, as—

There are many people WHO *have expressed dissatisfaction.*

For the same reasons—

Are there any have sent in their names?

should be—

Are there any WHO *have sent in their names?*

3. The omission of *than* after the comparative degree of an adjective, e.g.—

This material is prettier and quite as serviceable as that.

Here the ellipsis implies the insertion of *as* after *prettier;* and, as that would give an ungrammatical expression, the ellipsis is unjustifiable. The sentence should be—

This material is prettier THAN, *and quite as serviceable as that.*

4. The omission of the demonstrative THAT or THOSE from comparative sentences, e.g.—

(*a*) *The manufactures of Great Britain are greater than any other country* should be—

The manufactures of Great Britain are greater than THOSE OF *any other country.*

(*b*) *There is a great difference between the leaf of an oak and an ash* should be—

There is a great difference between the leaf of an oak and THAT OF *an ash.*

5. The omission of a preposition, e.g.—

Vessels may be seen coming and going to almost every port in the world.

The preposition *from* should be inserted after *coming.*

GRAMMAR NOTES.—The text-books of grammar devote much space to the consideration of the Mood of Verbs.

Mood is that form of the verb which indicates the *manner* in which a statement is made.

A statement may be—

(1) An assertion, a question, or a supposition considered as a fact. In these three cases the verb is said to be in the INDICATIVE MOOD.

(2) A command or an entreaty—IMPERATIVE MOOD.

(3) An expression of doubt of any sort. It may be the expression of a condition, a wish, a purpose, or a supposition—SUBJUNCTIVE MOOD.

The only mood calling for attention in these lessons is the Subjunctive.

There are certain differences in form between the Indicative and the Subjunctive.

Of these differences, the only one likely to cause you any difficulty is that between the indicative and subjunctive of the third person of the verb *to be.*

INDIC. : he *is*, she *is*, it *is.*

SUBJ. : he *be*, she *be*, it *be.*

You must remember that the subjunctive does not necessarily follow *if.* The subjunctive expresses uncertainty in the mind of the speaker.

"Is the man guilty?" "Yes." "Then, if he is guilty he must be punished."

Here we have the indicative following *if*, because there is no doubt of the man's guilt. The *if* is simply rhetorical. Again—

"Is the man guilty?" "We do not know." "Then, let him be tried, for if he be guilty he must be punished."

In this case the subjunctive follows *if* to express the doubt in the mind of the speaker.

Prepositions. Certain points in the use of Prepositions deserve your attention. You have learned already that prepositions are followed by the objective case of pronouns. You must say—

There is an understanding between you and me, not *you and I.*

Further, it is considered inelegant to end a sentence with a preposition.

Instead of saying—

Here is a box with some pens in, say—

Here is a box in which there are some pens ; or

Here is a box containing some pens.

Similarly, say—

This is the proposal to which he has assented, instead of—

This is the proposal which he has assented to.

Note carefully the prepositions following the words given below—

Absolve *from.*	Frightened *at*
Adapted *to*	Impressed *with*
Incident *to*	Amenable *to*
Coincident *with*	Different *from* (not *than*
Compatible *with*	or *to*)
Consequent *on*	Dependent *on*
Subsequent *to*	Indifferent *to*
Deficient *in*	Independent *of*
Derogatory *to*	Expert *in*
Conversant *with*	Suitably *to*
Afraid *of*	Simultaneously *with*

The above list is not exhaustive ; only considerable experience in the use of idiomatic English will lead to certainty in the use of the correct prepositions to be used in all circumstances. Note that the preposition *between* must be used with reference to two objects only, e.g.—

The river flows between high banks.

When the reference is to more than two objects, the preposition must be *among* or *amongst*, e.g.—

The money was divided amongst the five claimants.

He fell among thieves.

Among or *amongst* may be used without distinction.

DIRECT AND REPORTED SPEECH.—No doubt you have often read newspaper reports of speeches delivered by prominent people. Very rarely indeed are the speeches, even of the most important people, reported verbatim (i.e. word for word). The editors of newspapers have so much demand upon their space that reports of speeches have to be cut down to very modest proportions, often to a mere paragraph. This condensation of speeches imposes a great responsibility upon reporters and sub-editors, as it is very largely a matter of individual opinion what is relatively important and what is not. When a speech is condensed, care must be taken that the speaker is not misrepresented : is not represented as having said something which he did not say. Of course, if every word uttered is reported, there can be no misrepresentation. The speaker may have made false statements or have expressed foolish opinions, but so long as the report is a verbatim one, no blame for the statements and opinions can be attached to the reporter. The case is different when the report gives only a condensation of the speech, and in order to make the risk of misrepresentation as small as possible, condensed reports are almost always given in indirect speech.

INDIRECT OR REPORTED SPEECH.—Let us explain what this means. When the exact words uttered by the speaker are given, they are said

to be in **Direct Speech,** and the words spoken are placed within inverted commas, e.g.—

Mr. Jones, who, on rising to address the meeting, was received with loud cheers, said: "Ladies and gentlemen, it is with considerable trepidation that I appear before you this evening."

The use of the inverted commas ("——") shows that the exact words the speaker used are given. The speech is given in the first person, that is, in the words of the person speaking, and, consequently, the pronoun *I* is used. The example we have chosen gives only the opening sentence of the speech, but the same form would be used throughout, the inverted commas being used at the opening and the close.

In **Indirect Speech** the report would appear thus:

Mr. Jones, who, on rising to address the meeting, was received with loud cheers, said that it was with considerable trepidation that he appeared before them that evening.

In this version no inverted commas are used, and, consequently, the report does not purport to give the exact words of the speaker.

You will notice several differences between this indirect form and the direct form given above. The first and most important difference is that the first person of the direct speech has been changed to the third person in the indirect speech. The pronoun *I* has become *he*. Other differences we shall note later on.

Let us take another example—

After the result of the voting had been declared, Mr. Smith, addressing the chairman, said: "I shall endeavour to merit the confidence you have reposed in ME *by electing* ME *to this office."*

Here, again, the passage marked off by the inverted commas gives the exact words used by the speaker, and the pronouns *I* and *me*, referring to the speaker, are in the first person. The report is in direct speech. In reported speech these pronouns of the first person must be turned into pronouns of the third person, thus—

After the result of the voting had been declared, Mr. Smith, addressing the chairman, said that HE *would endeavour to merit the confidence they had reposed in* HIM *by electing* HIM *to that office.*

In the short examples given there is, of course, no possibility of misrepresenting the speaker, because the whole of what he said is contained in the indirect report. The danger arises when the speech is condensed or summarised, and it is important that the condensation or summary shall not appear as the exact words uttered. The reported speech must be used, and, of course, without inverted commas.

A condensation or summary is sometimes called a *précis*, and the art of précis-writing is a very important business accomplishment. You will be unable to write a good précis of a speech if you do not thoroughly understand the rules governing the use of indirect speech. There are six important rules, three of which we shall call primary and three secondary.

Primary Rules for Indirect Speech. 1. ALL PRONOUNS MUST BE OF THE THIRD PERSON. The pronouns *I, my, mine, me, we, our, ours, us, you, your, yours* are of the first and second persons, and must never appear in reported speech. Both the first and second persons must be reduced to pronouns of the third person, which are: *he, his, him, she, her, hers, they, their, theirs, them.*

2. (*a*) VERBS OF THE PRESENT TENSE MUST BE CHANGED INTO PAST TENSE; (*b*) THE FUTURE TENSE MUST BE CHANGED INTO A CONDITIONAL STATEMENT.

This rule can best be explained by examples—

(a) *He said: "I* AM *sure I* HAVE *done my best"* (Direct Speech) becomes—

He said that he WAS *sure he* HAD *done his best* (Indirect Speech).

(b) *He said: "I* SHALL TAKE *care that it* WILL MAKE *no difference in my attitude towards the matter"* (Direct Speech) becomes—

He said that he WOULD TAKE *care that it* WOULD MAKE *no difference in his attitude towards the matter* (Indirect Speech).

3. WORDS DENOTING NEARNESS IN TIME OR PLACE MUST BE CHANGED INTO WORDS DENOTING REMOTENESS, e.g.—

This	becomes	*that;*
These	,,	*those;*
Here	,,	*there;*
Now	,,	*then;*
To-day	,,	*that day;*
Yesterday	,,	*the day before.*

He said, "I will place THESE *facts before the meeting* HERE *and* NOW" (Direct Speech)

when turned into Indirect Speech becomes—

He said that he would place THOSE *facts before the meeting* THERE *and* THEN.

EXERCISES.

Turn the following passages into Reported Speech—

(*a*) "I am one of a large and, I think, growing number of people who think that education in this country might be a very good deal better than it is, but could not very well be much worse. That is not, however, the special point I want to raise. May I ask what the teacher counts for in education? Are his interests not worth consideration?"

(*b*) "I agreed with the original article, because in it the writer hoped for an improvement in the working-man's position, while he pointed out that drinking and gambling effectually prevented that improvement. We must remember that the riches of the prosperous classes ensued from the hard work, whether mental or physical, of their present possessors or of their forefathers."

BOOK-KEEPING

Continued from page 399

KEY TO EXERCISES IN LESSON IX (p. 399).

19..		Led. Fol.	Dr. £	s.	d.	Cr. £	s.	d.
Aug. 1	Cash .. .. Dr. To W. Wray's Capital A/c—		750	0	0	750	0	0
„ 3	Goods .. Dr. To G. Green ..		250	0	0	250	0	0
„ 4	Goods .. Dr. To Cash		27	13	4	27	13	4
„ 5	Cash .. .. Dr. To Goods		25	0	0	25	0	0
„ 8	B. Belleville .. Dr. To Goods		50	0	0	50	0	0
„ 9	B. Blackett .. Dr. To Goods		27	3	4	27	3	4
„ 11	Goods .. Dr. To R. Risley ..		100	0	0	100	0	0
„ 12	G. Green .. Dr. To Cash		150	0	0	150	0	0
„ 15	Cash .. .. Dr. To B. Belleville ..		30	0	0	30	0	0
„ 18	Cash .. .. Dr. To B. Blackett ..		17	3	4	17	3	4
„ 19	Goods .. Dr. To G. Green ..		50	0	0	50	0	0
„ 23	Cash .. .. Dr. To Goods		125	0	0	125	0	0
„ 25	G. Green .. Dr. To Cash		200	0	0	200	0	0
„ 26	Wages A/c .. Dr. To Cash		37	8	6	37	8	6
„ 31	R. Risley .. Dr. To Cash		50	0	0	50	0	0
	Total Journal Entries		£1,889	8	6	£1,889	8	6
	Goods on hand, £200 10s.							

LESSON X.

CAPITAL AND REVENUE EXPENDITURE.—In this lesson the student's attention must be directed to one other point, viz., the distinction between "Capital" Expenditure and "Revenue" Expenditure.

Expenditure incurred in the transaction of business may be divided into two classes, viz.—

(1) Expenditure upon objects of a permanent nature (i.e. those the benefit of which to the business is of a continuous nature).

(2) Expenditure upon objects the benefit of which is immediate, and the value of which is rapidly exhausted so far as the business is concerned.

There may be taken, as an instance of the first class, office furniture, which, with ordinary usage, retains its usefulness for a considerable period of time, and, whilst not permanent in the real meaning of the word, is certainly of a permanent nature, and the benefit of its use is spread over the period of its existence.

As an example of the second class, the expenditure upon goods purchased for sale may be taken. Such goods may be as permanent in nature as office furniture; but, so far as the business is concerned, immediately they are sold they cease to exist. The business has derived a benefit from them, inasmuch as the sale of them has produced a profit. But the whole benefit is derived within a limited period, which is that within which the profit is realised.

It will be obvious to the student, therefore, that some distinction should be made in book-keeping records between these two classes of expenditure, and this is actually effected by classifying the expenditure under two heads, viz., (1) Capital and (2) Revenue.

Capital Expenditure may be defined as expenditure upon assets of a permanent nature which are used in carrying on the business and in the production of the goods in which the business deals (e.g. buildings, plant, machinery).

Revenue Expenditure is (1) expenditure upon the actual goods in which the business deals; (2) expenditure incurred in the production and sale of those goods, such as wages, traveller's expenses, stationery, postages, etc.; and (3) expenditure incurred in the maintenance and upkeep of capital assets (e.g. repairs).

The student must not confuse the "capital" of the proprietor of the business, which merely represents the indebtedness of the business to him, or, in other words, his interest in the business, with "Capital Expenditure" (often briefly referred to as "Capital"), which represents the assets upon which the capital contributed by the proprietor has been largely expended.

In the following examples a distinction has been drawn between Capital and Revenue items, in order further to illustrate the subject—

Purchase of Lease	Capital
Repairs to Leasehold Premises	Revenue
Annual amount written off Lease	Revenue
Purchase of additional Engines	Capital
Repairs to same	Revenue
Depreciation of same	Revenue
Installation of Electric Light and Telephone	Capital

PRACTICAL WORK.—We have now arrived at a position from which it will be convenient and, it is hoped, advantageous to the student, to carry through a simple set of books the transactions of a merchant over a short period, to which it is proposed to devote the next few lessons.

Let us take the following example—

Jan. 1. Arthur Brown decided to commence in business as a wholesale tobacco merchant. He paid into the bank the sum of £2,000 as his original capital in the business. He rented an office and warehouse at an agreed rental of £100 per annum, payable quarterly in advance.

,, 2. He purchased from T. Jones & Co. office fixtures and fittings for the warehouse, which they agreed to put in position for him, for the sum of £95. He also bought from A. Barlow & Co. books and stationery valued at £40, and from the Tobacco Supply Co. he bought the following goods, subject to a cash discount of 10 per cent. if paid for within seven days, viz.—

Tobacco	£600	0	0
Cigars	£800	0	0
Cigarettes	£300	0	0

He also purchased from the Imperial Fancy Goods Co., pipes, cigar and cigarette cases, and similar tobacconists' fancy goods to the value of £350, subject to a cash discount of 5 per cent., if paid for within one week.

,, 3. He introduced a further sum of £1,000 on Capital Account, which was paid into the bank. He engaged a clerk at a salary of £7 per month, payable weekly; and he engaged A. Smith as traveller at £3 10s. per week, payable weekly, with a commission of 1 per cent. upon his sales, payable monthly. Smith was to be allowed the sum of £2 2s. per week to cover all travelling and hotel expenses.

,, 4. He sent to T. Jones & Co. a cheque for £95 for the office furniture and to A. Barlow & Co. a cheque for £20 on account of stationery. He sold for cash, tobacco valued £3.

,, 5. He received from A. Lettor a demand note for one quarter's rent, £25; and from the Corporation of Manpool a rate note for one half-year's rates, £15.

,, 6. Smith, the traveller, sent in the following orders which he had secured, and which were duly executed, viz.—

B. Wilson—Tobacco ..	£25	0	0
Cigars ..	30	0	0
R. Thomson—Cigarettes	40	0	0
W. White—Fancy Goods	32	0	0
Tobacco ..	130	0	0

Jan. 7. Brown paid the Imperial Fancy Goods Co. £250 on account by cheque, and to the Tobacco Supply Co. he sent a cheque for £1,000.

,, 8. He drew a cheque for £30 to meet Petty Cash payments, which sum he handed to the clerk as the amount of the imprest.

Further orders were received from Smith and executed, viz.—

J. Bishop—Cigars	£120	0	0
Cigarettes ..	30	0	0
M. Black—Tobacco ..	190	0	0
Fancy Goods	40	0	0
Cigarettes ..	34	0	0
W. Bolton—Cigars ..	150	0	0
Fancy Goods	50	0	0
Tobacco ..	80	0	0

,, 9. Brown paid the following accounts by cheque—

Rent for quarter ending 31st Mar., 19.. ..	£25	0	0
Rates for half year ending 30th June, 19.. ..	15	0	0

Imperial Fancy Goods Co.—
Balance of account.
Tobacco Supply Co. do.

He sold for cash the following goods—

Tobacco	£2	10	0
Cigars	5	0	0

,, 10. He received the following cheques in settlement of accounts and paid them into the bank, viz.—

B. Wilson, £50	0	0	Discnt. allowed,	£5	0 0
W. White, 155	0	0	Do.	7	0 0
M. Black, 249	0	0	Do.	15	0 0

He paid in cash the clerk's wages for the first week, and sent a cheque to Smith for the wages and expenses due to him.

His subsequent transactions were—

,, 12. Goods sold from warehouse—

R. Burton—Tobacco ..	£140	0	0
W. Small— Cigars ..	30	0	0
R. Turner—Cigarettes ..	90	0	0

,, 12. Paid by cheque—
A. Barlow & Co., £19 0s. 0d., being the balance of account for Stationery less 2½% discount on £40 0s. 0d.

,, 13. Received and executed orders from traveller—

B. Wilson—Fancy Goods	£90	0	0
R. Thompson—Cigars	45	0	0

,, 16. Purchased from Tobacco Supply Co.—

Tobacco	£320	0	0
Cigars	140	0	0
Cigarettes	80	0	0

Jan. 17. Received cheques in settlement of accounts and paid them into the bank, viz.—

B. Thompson	£37	10	0
J. Bishop	140	0	0
W. Bolton	265	0	0

,, ,, Paid wages and expenses as before.

,, 18. Sold from warehouse—

R. Burton—Cigars	£90	0	0
W. Small—Fancy Goods	40	0	0
R. Turner—Tobacco	120	0	0

,, 19. Drew from bank on account of capital, £100.

,, 20. R. Burton returned tobacco value £30, and R. Turner returned cigarettes value £10, for which credit notes were duly sent.

,, 21. Sold for cash from warehouse—

Tobacco	£10	0	0
Cigarettes	5	0	0
Fancy Goods	2	0	0

Paid into bank the sum of £20 from cash in hand.

,, 22. Received cheques in settlement, viz.—

R. Burton	£100	0	0
W. Small	65	0	0
R. Turner	185	0	0

Paid cheques into bank.

,, ,, Paid by cheque £486 to Tobacco Supply Co. in settlement of account.

,, 24. Received from Imperial Fancy Goods Co., goods to the value of £125.

,, ,, Paid wages and expenses as before.

,, 26. Purchased from the Tobacco Supply Co.:

Tobacco	£200	0	0
Cigars	150	0	0
Cigarettes	300	0	0

,, 27. Received and executed following orders sent on by Smith, viz.—

R. Thomson—Tobacco		£230	0	0
W. White—	Fancy Goods	20	0	0
	Cigars	140	0	0
	Cigarettes	80	0	0
L. Pearson—	Tobacco	120	0	0
	Fancy Goods	15	0	0

,, 29. Returns received as follows—

R. Thomson—Tobacco		£20	0	0
	Cigars	10	0	0
W. White—	Fancy Goods	5	0	0

,, ,, Returned to the Tobacco Supply Co.—

Tobacco	£75	0	0
Cigars	40	0	0

,, ,, Returned to the Imperial Fancy Goods Co., fancy goods to the value of £5.

,, ,, Drew from the bank by cheque, £10 cash for office purposes.

,, ,, Paid Imperial Fancy Goods Co. cheque for £117 in settlement of account.

Jan. 31. Received the following cheques and paid them into the bank—

R. Thomson—On account	£200	0	0
W. White— In settlement	220	0	0

Brown paid the clerk's wages, and the wages and expenses of the traveller for the week in cash, and gave to the traveller a cheque for the amount of the commission due to him.

,, ,, He found that the petty cash disbursements for the month had been—

Travelling Expenses (Brown's)	£5	0	0
Postage and Receipt Stamps	2	0	0
Carriage of Goods	15	0	0
Office Cleaner's Wages	2	0	0
Incidental Expenses	3	10	0
	£27	10	0

He, therefore, drew a cheque for this sum to reimburse the Petty Cashier the amount of his expenditure.

He desired to ascertain what was the result of the month's trading and what was his financial position at the close of the month. He, therefore, took stock of his goods on hand, which were as follow—

Tobacco	£350	0	0
Cigars	650	0	0
Fancy Goods	250	0	0
A total of	£1,250	0	0

He also estimated that the value of the unused stationery was £38.

You are required to write up the books of Arthur Brown from the foregoing information, and to supply him with the necessary figures to show (1) the result of his trading for the month of January and (2) the financial position of the business at the close of the month.

BOOKS REQUIRED.—In order to record these transactions, it is necessary that Brown should be provided with—

(1) A **Cash Book** having three columns on each side for discount, cash, and bank items respectively.

(2) A **Sales Day Book** for the purpose of recording the sales made to customers.

(3) An **Invoice Classification Book** having columns for each class of goods purchased and for the various classes of expenditure incurred.

(4) A **Returns Inwards Book** for recording goods returned to the warehouse by customers.

(5) A **Returns Outwards Book,** in which the goods sent back by Brown to the manufacturers and wholesale dealers are to be recorded.

(6) A **Personal Ledger,** in which the personal accounts with debtors and creditors are to appear.

(7) An **Impersonal Ledger** for recording the various Real and Nominal Accounts of the goods in which Brown deals, and the expenses which he incurs in the course of his trading.

SHORTHAND

Continued from page 402

KEY TO EXERCISE 28.

1.
2.
3.
4. (*s inside hook*)

KEY TO EXERCISE 29.

1.
2.
3.

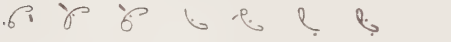
KEY TO EXERCISE 30.

1.
2.
3.

KEY TO EXERCISE 31.

1.
2.
3.

KEY TO EXERCISE 32.

1.
2. 
3.

KEY TO EXERCISE 33.

1.
2.
3.

KEY TO EXERCISE 34.

1.
2.
3.
4.

LESSON X.

Circles and Loops Affixed to Final Hooks. Just as a circle or loop can be prefixed to the initially hooked straight strokes

so a circle or loop may be attached to the finally hooked strokes

and in a manner precisely similar.

Thus, by continuing the hook *n* until a complete circle or loop is formed, that circle or loop is said to be added after the *n*.

Hence we have *bow*, *bone*, *bones*; *train*, *trains*, *trance*, *trances*; *clean*, *cleanse*, *cleansed*; *glances*; *win*, *wins* or *wince*, *winces*, *winced*; *hen*, *hens* or *hence*; *adjourn*, *adjourns*; *entrance*, *entrances*, *entranced*; *spray*, *sprain*, *sprains*; *pranced*, *bronzed*, *punster*, *reference*, *references*.

These endings may be called *-nce* or *-nz*, *-nces* or *nzez*, *-nst* or *-nzd*, *-nstr*.

Notice the direction of the circle or loop. It is in every case the direction of the *n* hook, being made with the right or forward motion. If made in the opposite direction, that is, with the left or backward motion, the circles or loops simply stand for *s*, *sez*, *st*, or *str*, as was pointed out in an earlier lesson.

You will see from the above examples that all the final circles and loops may be made use of. Also that the circle or loop is read immediately after the *n* hook with which it is combined. No intervening vowel whatever must occur between the *n* and its following circle or loop.

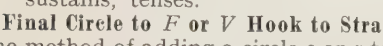
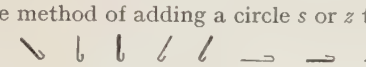
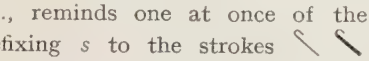
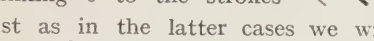
A good way of dealing with such words as have been given above is as follows: We will take as our examples the words "trances," "adjourns," "bronzed," "spinster." From each of these words take off the final sound, whether it be *s* or *z*, *sez* or *zez*, *st* or *zd*, or *str*. This leaves us with the syllables *tran*, *adjourn*, *bron*, and *pun*. Write these correctly according to the rule for final *n*. We then get *tran*, *adjourn*, *bron*, *pun*. The circle or loop to be added must follow the direction of this final hook; hence we get: *trances*, *adjourns*, *bronzed*, *punster*.

EXERCISE 35.

1.

2. Wines, runs, once, rinsed, scorns, strains, dunces, suspense.

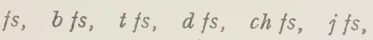
3. Pretence, retains, pippins, cocoons, yarns, sustains, tenses.

Final Circle to *F* or *V* Hook to Straight Strokes. The method of adding a circle *s* or *z* to the strokes  etc., reminds one at once of the method of prefixing *s* to the strokes  , etc. Just as in the latter cases we wrote *spl*, *sbl*, *s tl*, *s dl*, etc., so the former set are written:  *p fs*, *b fs*, *t fs*, *d fs*,  *r fs*, *w fs*, etc. The direction of the hook and circle in both cases is the same; left or backward motion.

Remembering that the final hook used here has two meanings, *f* or *v*, you will see that the endings will represent two distinct sounds, one light and the other heavy. Note this carefully: Students sometimes forget to employ the hook and circle for the heavy sounds as heard in such words as *waves, heaves, roves*, etc., although they remember to do so in such words as *waifs, hoofs, reefs*, etc.

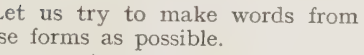
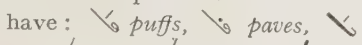
The full list of straight strokes to which this final hook and circle are written is as follows—

p fs, b fs, t fs, d fs, ch fs, j fs, k fs, g fs,



r fs, w fs, y fs, h fs.

Let us try to make words from as many of these forms as possible.

We have: *puffs*, *paves*, *buffs*, *tiffs*, *doves*, *chiefs*, *achieves*, *Joves*,  *cuffs*, *caves*, *roofs*, *Reeves*, *waifs*, *waves*,  *hoofs*, *hives*.

Again you will notice that no vowel occurs between the *f* or *v* and the *s*. You will also see that, as in the case of , etc., the only attachment that could be written within the hook is the circle for *s* or *z*.

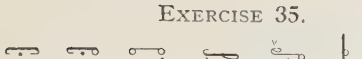
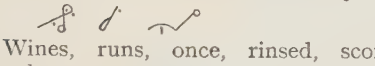
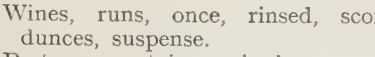
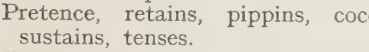
EXERCISE 36.

1.

2. Doves, chafes, positives, preserves, derives, troughs, distaffs.

3. Achieves, archives, starves, swerves, serves.

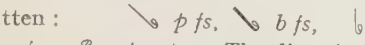
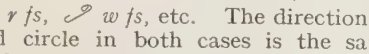
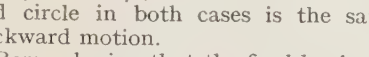
As there is no *f* or *v* hook to curves, there will be no difficulty in understanding that words like *moves* and *fifes* must be written *moves*, *fifes*.

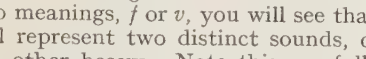
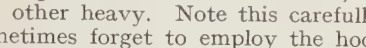
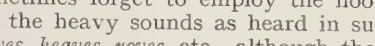
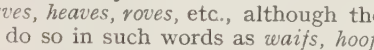
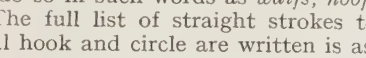
It must be carefully noted that the *fs* or *vz*, in all cases where the hook and circle are used, have no vowel whatever intervening. If a vowel does occur between *f-s* and *v-s*, the **stroke** *f* or *v* must be used. Compare *grieves* with *grievous*; *roofs* with *Rufus*; *serfs* or *serves* with *surface*, *service*;  *huffs* with *Hovis*;  *proofs* with  *preface*;  *dives* with *device*.

Hook *N* and Circle *S* to Curves. Let us now take the strokes

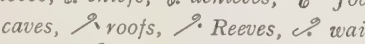
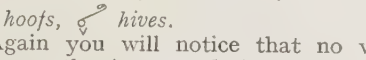
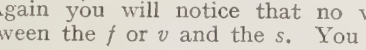
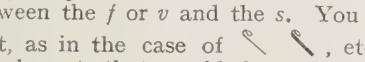
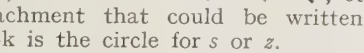
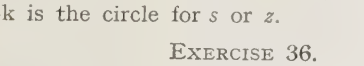
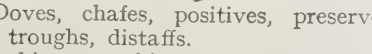
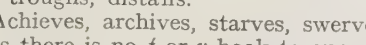
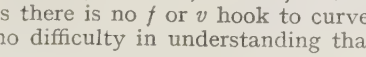
To these you may add a small circle, inside the hook; thus,

You must take particular notice that these endings represent the sound of *nz* only, as heard in *fines*, *veins*, *thanes*, *assigns*, *zones*, *shuns*, *lines*, *violins*, *balloons*, etc.

The sound of *-nce* after a curve is to be specially represented , as in  *fence*, *evince*,  *thence*, *essence*, *lance*, *mince*,  *announce*, *valance*.

A little consideration will show the reason for this distinction. It is by no means a mere fad. You will see that from the latter class of words we shall often require to form such words as: *fences, evinces, fenced, evinced, lanced.* This is easily done; thus,  *fence*,  *fences*,  *fenced*;  *evince*,  *evinces*, *evinced*.

The sounds *-nzez* and *-nzed* after curves are so rare, that we may safely say that the words *lenses*, *summonses*, and some proper names, are the only ones that contain either of them.

Remember, then, that HOOK *n* and *s* AFTER A CURVE always represents the sound of *nz*; whilst the sounds of *nce, nces, nst, nstr* AFTER A CURVE are represented by the STROKE *n* and the circle or loop, We have, therefore— *loins*, *lance*,  *lances*,  *lanced*,  *Leinster*;  *men's*,  *mince*,  *minces*, *minced*, *minster*, *Romans*,  *romance*,  *romances*,  *romanced*; *villains*, *valance*, *violence*.

Do not on any account apply this rule to the straight strokes, for the final circle or loop in such forms as represents both *-nce* and *-nz*, *-nces* and *-nzes*, *-nst* and *-nzd*.

COMMERCIAL ARITHMETIC

Continued from page 405

ANSWERS TO EXERCISE I.

1. £8 12s. 6d.
2. 125 lbs.
3. 4s. 11½d. per yard.
4. £7 10s.

LESSON X.

INTEREST.—Interest is money paid for the loan or use of another sum of money. The sum loaned or invested is called the *principal*. The ratio between the interest and the principal is called the rate of interest, and is generally stated as a percentage. The consideration for the use of a sum of money for two years should be greater than that for the same sum for one year. Hence, although interest is an application of percentages, a new element—time—enters into the calculation. The rate of interest is given as a percentage of the principal, and is termed the *rate per cent. per annum*. The interest may be paid at the end of the specified interval of time (year, half-year, month, etc.). If the interest is actually paid (or withdrawn) at the end of the period, it is said to be *simple interest*. It is termed *compound interest* if the interest be not withdrawn, but allowed to accumulate with the principal. Simple interest is, therefore, proportional to the time. Thus, the simple interest for two years would be twice the interest for one year; for 6 months, half as much; for 1 month, $\frac{1}{12}$ as much, etc. If the rate of interest were given as $3\frac{3}{4}$ per cent. per annum, then the interest for 5 months would be $\frac{5}{12}$ of $3\frac{3}{4}$ per cent. (i.e. $\frac{5}{12} \times \frac{15}{4}$ per cent. $= 1\frac{9}{16}\%$).

EXAMPLE. Find the interest on £356 12s. 6d. for 5 months at $3\frac{3}{4}$ per cent. per annum.

Interest for 1 year $= \frac{15}{400}$ of £356·625

∴ „ „ 5 months $= \frac{5}{12} \times \frac{15}{400}$ of £356·625

$= \frac{1}{64}$ of £356·625

= £5·572

= £5 11s. 5d.

EXAMPLE. Find the interest on £720 15s. 6d. for 4 months at $2\frac{3}{4}$ per cent.

Interest for 4 months $= \frac{4}{12} \times \frac{11}{400}$ of £720·775

= £6/12/2 (nearest penny)

or, interest fraction $= \frac{1}{3}$ of $\frac{11}{4}$ per cent.

$= \frac{11}{12}$ per cent.

∴ Interest $= \frac{11}{12}$ per cent. of £720·775

1 % = 7·20775

$\frac{1}{12}\%$ = ·60064

$\frac{11}{12}\%$ = 6·607

∴ Interest at $\frac{11}{12}\%$ = £6 12s. 2d.

As the interest is proportional to the time, it will be noticed that the interest on a sum of money for 2 years at 3 per cent. will be equivalent to the interest on the same sum for 1 year at 6 per cent. Similarly, the interest on a sum of money for 7 months at 5 per cent. per annum will be equal to that on the same sum for 1 year at $\frac{7}{12}$ of 5 per cent. (i.e. $2\frac{11}{12}\%$). And, the rate being constant, the interest on £200 for 3 months is the same as the interest on £600 for 1 month.

Suppose a man borrowed £50, and agreed to pay back £10 at the end of 1, 2, 3, etc., months for 6 months; at what rate per cent. was the interest charged?

The borrower had the use of £50 for 1 month,
and, as he paid back £10, then £40 „ „
„ £30 „ „
„ £20 „ „
„ £10 „ „

i.e. £150 for 1 month.

As he borrowed £50 and paid back £60, he paid £10 as interest. We have found that the borrower had the use of a sum of money equivalent to £150 for 1 month.

∴ Interest on £150 for 1 month = £ 10

„ „ £150 for 12 months = £120

∴ „ „ £100 for 1 year = £ 80

i.e. the rate of interest = 80% per annum.

In business it is often required to find the interest on a certain sum of money for a given number of days, or for the interval of time between one date and another. In the latter case, the number of days must be calculated, or found from the "Table of Days."

If a "Table of Days" is not available, the following is useful—

From the beginning of the year to the end of							
Jan.	there are	31	days	July	there are	212	days
Feb.	„ „	59	„	Aug.	„ „	243	„
Mar.	„ „	90	„	Sept.	„ „	273	„
April	„ „	120	„	Oct.	„ „	304	„
May	„ „	151	„	Nov.	„ „	334	„
June	„ „	181	„	Dec.	„ „	365	„

EXAMPLE. £729 15s. 7d. was owing from 15th June to 1st September, when it was repaid with interest at the rate of $4\frac{1}{2}$ per cent. per annum. What amount was paid?

From the "Table of Days," or from the above table, 15th June is found to be the 166th day, and 1st September is the 244th day.

Hence the period is 244 – 166 = 78 days.

£729 15s. 7d. = £729·779 (correct to 3 places)

$\therefore$ Interest $= \frac{78}{365} \times \frac{9}{200}$ of £729·779

$= \frac{702}{73000} \times$ £729·779

$= \frac{702}{73} \times$ £·729779

·729779 × 702

510·8453
1·4595

73)512·3048(7·0178
130
574
638
54

$\therefore$ Interest = £7 0s. 4d.

£	s.	d.	
729	15	7	Principal
7	0	4	Interest
736	15	11	Amount

In calculating the interest for a number of days, the denominator of the multiplying factor will often be 100 × 365. The denominator 73000 may be obtained by multiplying both the numerator and denominator by 2. The multiplication is often performed by doubling the rate per cent. When the denominator is 73000, the interest may be obtained by the *third, tenth, and tenth rule*, which gives the result without dividing by 73000.

Example. Find the interest on £257 13s. 4d. from 19th April to 16th October, interest being reckoned at $4\frac{3}{4}$ per cent.

From table, number of days = 289 − 109 = 180

Twice the rate per cent. = 2 × $4\frac{3}{4}$ = $9\frac{1}{2}$

Principal = £257·667

$$\text{Interest} = \frac{180}{365} \times \frac{9\frac{1}{2}}{200} \text{ of £257·667}$$

$= \frac{171}{73000} \times 257{\cdot}667$

Method. Instead of dividing by 73000, divide by 100000. The answer will be too little. To make up the defect, add $\frac{1}{3}$ of the result, then $\frac{1}{10}$ of the third, and finally $\frac{1}{10}$ of the tenth.

$$\frac{1710 \times 257{\cdot}667}{100000} = 1{\cdot}71 \times 2{\cdot}57667$$

Shift the decimal of the principal to reduce it to standard form, and then move the decimal point of the other factor, so that the numerator has been divided by 100000 (i.e. the decimal point must be shifted five places to the left).

2·57667
1·71

2·5767
1·8036
·0258

4·4061
$\frac{1}{3}$ 1·4687
$\frac{1}{10}$ ·1469
$\frac{1}{10}$ of above ·0147

6·0364

Interest = £6 0s. 9d. (nearest penny)

Method.

(1) Decimalise the principal (3 places of decimals).

(2) Multiply twice the rate per cent. by the number of days.

(3) Reduce principal to standard form.

(4) Divide product (2) so that in the two operations (3) and (4) a division by 100000 has been performed.

(5) Multiply (3) by (4).

(6) Add $\frac{1}{3}$ of the result, then $\frac{1}{10}$ of this, and lastly $\frac{1}{10}$ of the tenth.

Note. The answer so obtained is $\frac{1}{10000}$ too much. To find the error, shift the decimal point 4 places to the left. The error is approximately $\frac{1}{4}$d. in £10. In the above example, the error would be ·0006. Deducting this, we should get—

6·0364
less error ·0006

6·0358 = £6 0s. 9d. (nearest penny)

Mental and Other Rules.

(1) To find the interest at any rate per cent. for 1 year, multiply the principal by double the rate per cent. Dividing by 10, the answer is shillings.

E.g. Find the interest on £15 for 1 year at $3\frac{1}{2}$%.

$$\text{Interest} = \frac{15 \times 7}{10} \text{shillings} = 10{\cdot}5 \text{ sh.} = 10/6$$

(2) 5% = 1s. in the £ for 1 year, 1d. in the £ for 1 month.

(3) $2\frac{1}{2}$% = 6d. in the £ for 1 year, $\frac{1}{2}$d. in the £ for 1 month.

(4) To find the interest on a given principal for 1 day at 6 per cent.

This may be simplified by reckoning 360 days to the year, and then allowing for the error.

Thus, find the interest on £100 for 1 day at 6%.

Interest on £100 = $\frac{6}{360}$ = 4d.

$\therefore$ interest on £100 for 2 days = 8d.

(i.e. interest on 100 for 2 days is equivalent to the interest on £200 for 1 day.)

Hence to obtain the interest for any given number, of days at 6 per cent. Multiply the principal by the number of days and divide by 100; the answer is expressed in fourpences. As we reckoned 360 days to the year, there is an error of 5 in 365 or 1 in 73. This is approximately 1d. for every 6s. of interest—

e.g. Find interest on £83 17s. 6d. for 53 days at 6 per cent.

$$\text{Interest} = \frac{84 \times 53}{100} \text{ fourpences}$$

$$= 44{\cdot}52 \text{ fourpences}$$

$$= 14{\cdot}84 \text{ shillings}$$

$$= 14\text{s. } 10\text{d.}$$

less 1d. for 6s. $= 2\frac{1}{2}$

$$= 14\text{s. } 7\tfrac{1}{2}\text{d.}$$

(5) Hence, to find interest at 3 per cent., multiply the principal by number of days; dividing by 100, the answer will be twopences. Deduct as before, 1d. for every 6s. of interest.

(6) To find the interest at 5 per cent., multiply principal by one third the number of days, and divide by 10; the answer will be given in pence. Deduct as before.

Interest at other rates may be obtained by obtaining aliquot parts.

To find the interest at $3\frac{1}{2}$ per cent., calculate at 3 per cent. and add $\frac{1}{6}$ ($\frac{1}{2}$ being $\frac{1}{6}$ of 3).

To find the interest at $5\frac{1}{2}$ per cent., calculate at 6 per cent. and deduct $\frac{1}{12}$; or calculate at 5 per cent. and add $\frac{1}{10}$.

Current Accounts. Money deposited in a bank may be left on a deposit account or on a current account. The money left on a current account may or may not bear interest. This is a matter of agreement. Many provincial banks charge a commission for collecting accounts, and allow interest on the current account. This is generally reckoned day by day and added to the principal at the end of the year or half-year. In finding the bank balance, it is advisable to determine the number of days that the amount remains unchanged and to express this as an equivalent amount for 1 day.

Example. A firm deposits £300 on 10th Feb.; withdraws £150 on 1st March; deposits £250 on 25th March; withdraws £180 on 10th May and £60 on 8th June. Find balance on 20th June, reckoning interest at $1\frac{1}{2}$ per cent.

From 10th Feb. to 1st Mar. = 19 days
,, 1st Mar. to 25th Mar. = 24 ,,
,, 25th Mar. to 10th May = 46 ,,
,, 10th May to 8th June = 29 ,,
,, 8th June to 20th June = 12 ,,

Interest must be calculated on—

					for 1 day.
£300	for 19	days,	which is	equivalent to	£ 5,700
£150	,, 24	,,	,,	,,	£ 3,600
£400	,, 46	,,	,,	,,	£18,400
£220	,, 29	,,	,,	,,	£ 6,380
£160	,, 12	,,	,,	,,	£ 1,920
					£36,000

∴ We are required to calculate the interest on £36,000 for 1 day at $1\frac{1}{2}$ per cent.

Now, interest on £100 for 1 day at 6 % = 4*d.*
∴ ,, £100 ,, ,, ,, $1\frac{1}{2}$% = 1*d.*
Hence, ,, £36,000 ,, ,, ,, $1\frac{1}{2}$% = 360*d.*

	£	s.	d.
Interest =	1	10	0
less 1d. for every 6/–=			5
at $1\frac{1}{2}$% =	1	9	7

The Bank Ledger would appear as under

Date.		Dr. £	s.	d.	Cr. £	s.	d.	Bal. £	Dys.	Product
19 ..										
Feb. 10	To Cash . .	300	0	0				300	19	5700
Mar. 1	By Cash . .				150	0	0	150	24	3600
,, 25	To Cash . .	250	0	0				400	46	18400
May 10	By Cash . .				180	0	0	220	29	6380
June 8	,, ,, . .				60	0	0	160	12	1920
,, 20	,, Interest .	1	9	7				—	—	—
	Balance .				161	9	7	—	—	—
		551	9	7	551	9	7	—	—	36000

Exercise J.

1. What would be the interest on £83 15s. 6d. for 79 days at $4\frac{1}{2}$%, at 5%, at $2\frac{3}{4}$%, and at 6%?

2. Find the interest on £237 15s. from 15th June till 9th November at $4\frac{1}{4}$ per cent. per annum.

3. A man opens a banking account on 1st July with a deposit of £250. On 25th July he puts in £130; on 19th August withdraws £95; on 1st September withdraws £125; on 15th October puts in £275; on 3rd November withdraws £136; on 12th December withdraws £194. Balance his account up to 20th December, reckoning interest at $2\frac{3}{4}$ per cent.

4. Find cash balance due on the following account on 31st December, 19... Interest at 6% per annum.

Dr. 19..		£	s.	d.	Cr. 19..		£	s.	d.
June 30	To Goods	1,000	0	0	July 23	By Cash .	800	0	0
Aug. 15	,, ,,	750	0	0	Aug. 30	,, ,, .	375	0	0
Sept. 29	,, ,,	380	0	0	Oct. 29	,, ,, .	230	0	0
					Nov. 30	,, ,, .	480	0	0

HANDWRITING

Continued from page 406

LESSON X.

This important exercise appears again to remind you that if, by now, you are not able to make a very satisfactory copy, it is because you are, perhaps unconsciously, clinging to some old habit that prevents you. Examine your position and search out the cause. In any case, you will find it helpful in giving that smoothness and rapidity of movement at which you are aiming. It is just the right kind of exercise to do when a prolonged effort is not convenient. Being an exercise that enters largely into the formation of so many of the capitals, it is on that account alone worth all the time you can give to it. The capitals in this lesson are made without any pressure on the downstroke, and are simple in form. As our object is to do writing that shall be easy to write as well as easy to read, we dispense with unnecessary ornament. We propose, however, to insert some specimens of the old-fashioned style of capital at a later stage, for those who may like to introduce them into some specially important document, as, for instance, a Balance Sheet or Statement of Income and Expenditure. For practical purposes they have been superseded by capitals of a plainer character. In Exercise X you should move round seven times without pausing. After doing it that way several times, move round six times, then five, four, three, two, and one. Now with the same kind of running movement produce a capital. At first your attempts may not be satisfactory. You may get the freedom, but not the form. You want both. If this should be the case, go over the letter several times with a dry pen until you have formed a mental picture of it. Then write it with ink. If you find that your fingers are moving, lift your arm off the desk entirely and write the letters about 2 inches in size, working with the arm alone. Practise this until you can make the letter without the least sign of finger and thumb movement. Afterwards lower the arm to the desk and reduce the size gradually until you can make the letter a quarter of an inch in size to your satisfaction.

EXERCISE X.

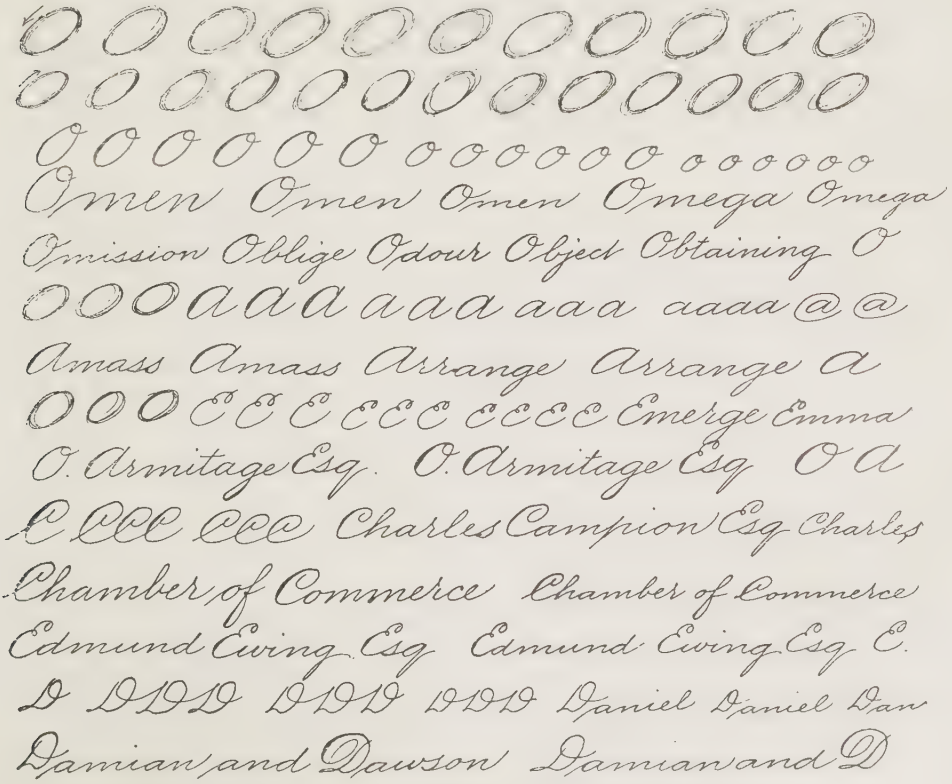

Omen Omen Omen Omega Omega
Omission Oblige Odour Object Obtaining
Amass Amass Arrange Arrange
Emerge Emma
O. Armitage Esq. O. Armitage Esq
Charles Campion Esq Charles
Chamber of Commerce Chamber of Commerce
Edmund Ewing Esq Edmund Ewing Esq E.
Daniel Daniel Dan
Damian and Dawson Damian and D

Fig 12.

TYPEWRITING

Continued from page 407

LESSON X.

OFFICIAL LETTERS.—Official letters deal with the affairs of the State in contradistinction to commerce; for example, matters connected with the various Government offices, comprising, amongst others, the Board of Education, the Board of Trade, the War Office, the Inland Revenue Office, the Civil Service, etc., etc.

As these offices are frequently of vast magnitude, there are separate departments for separate issues; and it, therefore, minimises labour to an enormous extent, besides ensuring more speedy attention, if not more than *one* subject is dealt with in a letter, and the special reference number or department marked at the bottom left-hand corner of the envelope. This enables every letter to be at once identified with the department which it concerns, instead of being passed from one department to another, as it must, of necessity, be if a letter covers several different subjects.

Again, if an official letter is upon purely public business, and passes from one Government department to another, or between a Government department and a private individual, or *vice versâ*, it does not require to be stamped, but in lieu of the stamp the envelope must bear the words: "On His Majesty's Service."

In addition to these points, an official letter is of a much more formal character than a commercial one, and there is also a great dissimilarity in the style in which the two are displayed, as the following rules will show.

RULES FOR TYPING OFFICIAL LETTERS.—Type the letter on foolscap paper with an indelible ribbon or pad, which is specially prepared for Government work, and the colour of which remains permanent.

Usually speaking, employ double line-spacing for the text, with (say) six single turns after the date, three between the paragraphs and before the subscription. If, however, the letter is a very short one, treble line-spacing may be used for the text.

Allow a left-hand margin of 15 or 20, and set the right-hand margin for 70 or 72, indenting paragraphs 5 or 10 spaces from the common margin.

The subscriptions are set out in a variety of ways, beginning at 40, with the succeeding lines indented five spaces, or, for a *short* subscription, 40, 50, and back to 45; and for a *long* one, 25, 35, and back to 30. If the writer has an official designation, for example, "Education Officer," this should be typed four or five lines below the last line of the subscription, to allow plenty of space for the signature.

Type the name of the person to whom the letter is written at the *foot*, commencing the first line at 10 and indenting each succeeding line 5 spaces from the preceding one.

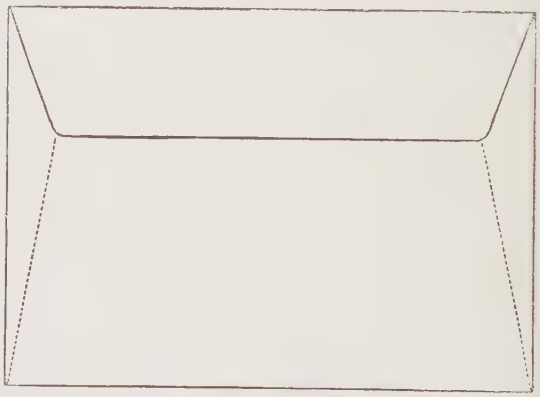
After the letter is completed, notify any enclosure by a sloping line in the margin, against the line on which the enclosure is mentioned, so as to draw attention to the nature of it. Sign the letter in copying ink, press copy it, and fold in four crosswise.

Address a foolscap envelope in the usual way, but begin at 20, and indent each succeeding line 10 spaces from the preceding one. Type the reference number in the bottom left-hand corner, and place the letter in the envelope.

Exercise 17.

Type the official letter given on the first page of the inset between pages 454 and 455 with an indelible ribbon or pad on foolscap paper. Allow a 15 margin and treble line-spacing.

Sign and press copy the letter, and address a foolscap envelope.



SKETCH OF BACK OF TYPEWRITER ENVELOPE SHOWING A PERFECTLY FLAT SURFACE WHERE THE ADDRESS FALLS

Exercise 18.

Type the official letter on the third page of the inset between pages 454 and 455 with an indelible ribbon or pad on foolscap paper. Allow a 15 margin and double line-spacing.

Sign and press copy the letter, and address a foolscap envelope.

Cromwell House,

Hampstead,

L o n d o n, N. W.4

28th Sep., 19..

Madam,

We beg to bring before your notice "Cromwell House," where we purchase for cash all kinds of furniture, china, glass, plate, antiques, jewellery, &c. Perhaps you may have only a table or a few chairs which you wish to sell, but, on receipt of a postcard, our buyer will be at once sent to value them, no order being too small, or, on the other hand, none too large to receive careful attention, as we are prepared to purchase the contents of Mansions, Houses, or Flats.

Owing to the large demand, we are able to offer the very best value, and thereby to ensure future custom and recommendations.

All correspondence is treated in strict confidence.

Awaiting the favour of your commands,

We are, Madam,

Yours faithfully,

SPECIAL PRICES :- Jewellery, Antiques, Ivories, Clocks, Bronzes, China, Plate, &c.

(1437)—*bet. pp.* 454 *and* 455

26 Temple Fortune Buildings,

Finchley Road,

H e n d o n, N. W 4

30th Sep., 19..

F. Brown, Esq.,

The Cedars,

Erskine Hill,

H e n d o n, N. W.4

Dear Sir,

We return you herewith the statement sent by you, with your observation at foot. We beg to point out that details have already been sent from these offices addressed to you, the 10/6 being, as you state, for the cinder paths, and the 10/- for attending to your electric light. With regard to the latter amount, of which you say you have no record, we have pleasure in enclosing a copy of the invoice previously sent, and we hope to receive an early remittance.

Yours faithfully,

1 Enclosure.

HEYWOODS, Ltd., Queensland Park,

Contractors. MANCHESTER.

3rd Oct., 19..

Mr. Chertsey,
23 Park Road,
ALDERLEY EDGE.

Dear Sir,

To be independent of landlords and to own your own house should be the ideal of all thinking people and well worthy of serious consideration. Have you purchased the house in which you are living? If not you are paying to the landlord a sum which would enable you actually to purchase such a residence, and with our scheme you really do become the owner.

Taking one of our Queensland Park houses as an example, we can sell one of these at £300 on a deposit payment of £25, and this need not necessarily be paid in one sum.

We could then arrange for the remainder of the purchase money to be spread over a period of (say) fourteen years, so that your yearly outgoings would be:-

Repayment of capital and interest (for fourteen years only)	£27	10	0	p.a.
Ground Rent	£	10	0	"
Total annual payment	£34	0	0	

which is actually less than the rental value, and your house becomes free of all charges, excepting Ground Rent, in fourteen years.

Will you give us a call and inspect our Estate? We can offer houses to suit any requirements, from £300 to £800.

On receipt of a postcard we will, if desired, call upon you, or meet you at our office.

Yours faithfully,

Sales Manager.

COMMERCIAL GEOGRAPHY

Continued from page 360

LESSON VIII.

OCEAN TRANSPORT.—The transport of goods now claims our attention. As three-quarters of the earth's surface is covered by the sea, and as a good deal of trade has taken place across it from very ancient times, we will begin with sea traffic.

Phœnicians. Let us examine, first, what were the conditions which made the Mediterranean Sea so important in ancient times. It was bounded by rich lands, with important products to exchange. The Phœnicians, confined to a narrow strip between mountain and sea, with plenty of timber for shipbuilding, and the Greeks amidst their peninsulas and islands, were naturally led to take to a seafaring life. The Phœnicians traded with Britain in tin, a good deal of which, however, seems to have gone overland through Gaul; and with the coast of West Africa, where the curious system of barter described by Herodotus was carried out. A large part of the trade of those times was in corn from Africa and the Black Sea to Greece and Italy, but in their days of luxury the Romans got rare products from many lands.

Columbus. Ocean-going commerce was not really of great importance until the days of Columbus. New ideas with regard to the shape of the earth and its relation to the solar system, coupled with the general awakening of the Renaissance, the closing of the routes by which the products of the East had passed into Europe, and the discovery of the mariner's compass, all combined to make men give their energies to the search for new lands. The navigation of the West Coast of Africa was fairly easy so long as the vessel could keep in sight of land; whilst once South Africa was rounded, the winds were convenient for the journey to India or the East Indies, which yielded the articles of commerce then most prized. Columbus took a bolder step towards the West, the direction in which civilisation has constantly been progressing, and discovered America. The centre of trade passed from the Mediterranean lands to those bordering on the Atlantic, and now the Pacific is becoming more and more important as a great highway of commerce.

Northern and Southern Seas. The northern and southern seas, icebound as they are, are, of course, impassable so far as commercial ventures are concerned, and, therefore, it is important that commerce should pass freely in other directions. Round North America and the north of Asia is impracticable; the journeys round South America and South Africa are long and stormy, that round Cape Horn in particular. It has been left for our own times to overcome these difficulties, and fortunately they have not been impossible to overcome, though difficult enough. The Suez Canal has worked a revolution in the general trade of the world, and brought gradually increasing dividends to the owners of its shares. The cut across the isthmus of Panama has been a much more difficult task. Undertaken first by the French, financial troubles led to its abandonment. Then the American Government took over the forsaken works, and they have grappled with the difficulties so successfully, that the work is now completed.

Suez Canal. The Suez Canal has proved very successful. The comparatively small cutting of 1869 has been developed into a Canal having a depth of 36 ft. and a minimum surface level of 240 ft., capable of accommodating the large vessels which now link East and West. To give an idea of the saving effected by the use of the Canal it may be mentioned that from London to Bombay by the Cape is 10,700 miles; by the Canal it is about 6,200 miles; the voyage to Yokohama has also been reduced by about 3,000 miles. The opening of the Suez Canal has been a very important factor in developing trade, and not only have the terminal ports benefited, but also the trade centres all along the route.

Panama Canal. What the permanent effect of the opening of the Panama Canal on the world's commerce will be is difficult to forecast. It shortens the journey between New York and San Francisco by 10,000 miles, and decreases also, though to nothing like the same extent, the distance between New York and Australia, and the Far East. The dividing line between those districts in North America which can send goods more cheaply via the Pacific Coast is moved further eastward, and this increased trade will doubtless bring increasing prosperity to the Pacific ports of North America. The nitrate trade of western South America will also receive great advantage; and the great coalfields on this west coast are waiting for the development which improved possibilities of transport will probably cause.

Many years ago, Lieutenant Maury proposed to mark out regular lines for steamers in the North Atlantic: one for eastern-going vessels, another for those bound west—differing in summer and winter. It was not till 1898, after a number of disastrous accidents, that the whole of the Transatlantic steamship companies consented to follow out his recommendations with slight modifications. The loss of the *Titanic* led to further modifications to ensure still greater safety. More recently still, tracks across the Southern Indian Ocean have been agreed upon by some of the British companies, and different ones by the companies of other countries.

COMMERCIAL HISTORY

Continued from page 408

LESSON IX.

THE HANSEATIC LEAGUE.—The fact that the Navigation Act of 1381 was necessary, is evidence that England's foreign trade was principally conducted by foreign merchants in foreign ships. The trade with Germany and North Europe was largely in the hands of the merchants of the Hanseatic League. This remarkable association comprised the merchants of a group of about eighty German and North European towns, the most important of which were Hamburg, Lübeck, Bremen, and Dantzic. These merchants, by joint action, secured for themselves considerable trading privileges in nearly all European countries. They had a settlement, known as the Steelyard, in London; and had settlements in other towns also. Their organisation was a remarkable and powerful one; and their trade was enormous, widely extended, and very varied. Of many articles, they were the sole purveyors; and friendly relations with the League were almost essential, if a country did not wish to cut itself off from important sources of supply. Moreover, the revenue benefited from the tolls paid by the Hanse merchants, and this financial gain from the concessions granted to them had weight with the king and his advisers.

THE MERCHANT ADVENTURERS.—The English merchants were naturally jealous of their foreign rivals who were superior to them in economic and commercial knowledge. The English merchants were, however, becoming conscious of their own increasing strength and opportunity; and they had been gradually extending their own trading connections abroad. The growth of their strength and skill coincided with a decline in the strength of the Hanseatic League consequent upon the growth, in continental countries, of stronger governments which were jealous of the privileges possessed by the League, and cancelled, or restricted, them.

The terms "venturers," "adventurers," and "merchant adventurers," were used to describe English merchants, other than traders in wool and the staple commodities carrying on a regular trade in their own vessels, who carried on an export or import trade. Sometimes these "merchant adventurers" were merchants who undertook trading risks by seeking new markets, e.g. voyages to Iceland; sometimes they were associations of merchants in various towns organised for mutual protection or other advantage; but usually the term denoted a group of merchants who traded to the Low Countries, principally in cloth. They were incorporated, had great privileges, bore a coat of arms, and possessed great wealth and influence. Though the beginnings of their trade are traced to the thirteenth century, it was not until the fifteenth century that they became really important.

The granting of a charter of incorporation giving the Merchant Adventurers a trading monopoly was in keeping with the prevailing ideas regarding the regulation of trade. It was desired to encourage trade; and the granting of exclusive privileges was expected to do this; and apart from any financial gain on granting the charter, the Government found it easier to collect the Customs revenue when the trade was confined to a small group of traders, trading along a few well-defined channels. The power that could grant these privileges to the Merchant Adventurers could give them additional help by taking away the privileges of their rivals—the Merchants of the Hanseatic League—and the privileges of the League were withdrawn in the second half of the sixteenth century.

THE GREAT TRADING COMPANIES.—Arising out of the experience gained by granting charters to the Merchant Adventurers, special companies were given monopolistic charters in the fifteenth and sixteenth centuries to trade with specified countries or areas. Principal among these were the Russia, or Muscovy, Company (1554), the Levant, or Turkey, Company (1581), the Barbary, or Morocco, Company (1585), the Guinea Company (1588), and, most important of all, the East India Company, founded in 1600. These companies were not free from faults; they often exercised their monopolistic powers in an oppressive manner—though there is some evidence that their monopoly was more apparent than real—but, on the whole, they assisted very materially the development of English commerce. There was always present, at any rate in their early days, a restless energy and adventurous spirit which led them to many discoveries and much profitable trade

The sixteenth century was rich in "sea dogs"; and it may safely be said that this century marked the turning point in England's maritime career. A renewed interest in maritime adventures and discoveries, an industrious application to the art of ship-building, and a confidence in their own power at sea that was almost a challenge in its expression, were typical of Elizabethan sailors and of the age; and this love of the sea and adventure was a factor of prime importance in the discoveries and trade expansion of the sixteenth and seventeenth centuries and in laying the foundations of the British Empire.

OFFICE ORGANISATION AND COUNTING-HOUSE ROUTINE

Continued from page 41

LESSON VIII.

ANALYSIS OF WAGES.—Summaries of wages vary according to the individual businesses; but analyses are frequently made in columnar form, giving the separate amounts for each room or department of the factory, and the proportions (of each) expended under productive, non-productive, maintenance, and capital account headings. There are such sections as machine labour, fitting, viewing, testing, stores, draughtsmen, works staff, sales department, and general salaries.

PAYMENT OF WAGES.—When the wages sheets are prepared and approved by the works manager, they are forwarded to the cashier's department for the necessary payment to be made. A cheque is drawn and the cash obtained from the bank. The wages are made up and placed in bags or tins and handed to the men in exchange for their metal checks. In some places, signatures are taken, but this is a slow process.

When drawing the money from the bank, it facilitates matters to write on the back of the cheques particulars as to how the money is required—

£1 notes	
10s. notes	
Silver	
Copper	
	£

And this information may be ascertained in the following manner. We will take an easy compound addition sum, and the principle can be extended to a long and more difficult one in practice.

Wages. £	s.	d.
3	6	8½
1	15	6
2	18	7
	5	3½
	17	5
1	1	7½
	13	11
£10	19	0½

Money Required.	£	s.	d.
£1 notes ..	7	0	0
10s. notes ..	2	0	0
Silver	1	17	6
Copper ..		1	6½
	£10	19	0½

Taking the pence column, reckon everything less than sixpence as actual coppers; and where the amount is greater than sixpence, take the *excess as coppers* and the sixpence as silver. Carry the sixpences to the units column of the shillings to ascertain the silver, treat the tens column of shillings as the number of half-sovereigns or 10s. notes, and the £ column separately, of course, as sovereigns, or £1 notes. The silver should be set out in heaps of £1 each, coins of a kind being preferably together, and copper in heaps of a shilling each. The silver may be in rows of £10 each and the copper in rows of £1.

COST ACCOUNTS.—Very brief mention will here be made of the system of cost accounting, as the matter is dealt with fully in a separate section. (See Lessons on COST ACCOUNTS.)

The accompanying chart indicates the kind of information required for the compilation of Cost Accounts, and the financial books should be arranged in such a manner as to afford this information with the utmost facility. The financial books of the general office show the profit or loss, in the aggregate, upon the transactions undertaken, but the records of the costing department show the result of each contract or process separately; and if the system is faithfully carried out, the total of the separate results should agree closely with those indicated by the financial books. Of course, an excellent system of costing is expensive, but it is found to pay for itself. Among the advantages gained will be the following—

(*a*) It is a check upon stores, thus detecting leakages and preventing waste.

(*b*) It is a check upon workpeople, exposing slackness and incompetence.

(*c*) It locates profits or losses.

(*d*) Ascertained costs are useful in pricing of stock and fixing selling prices.

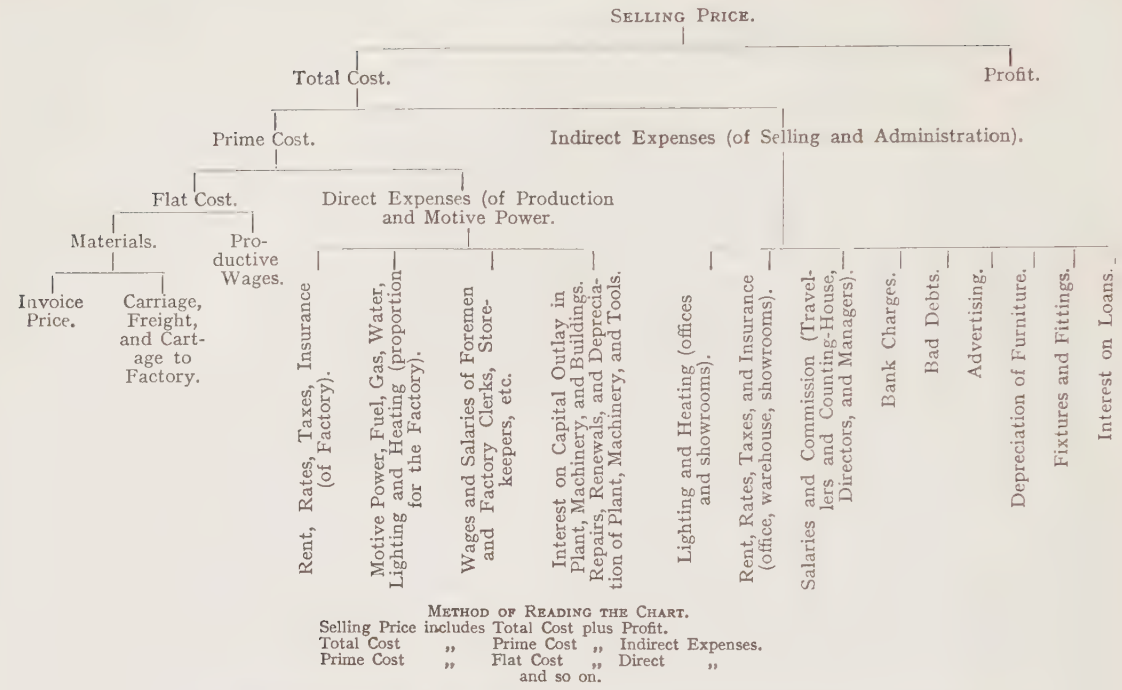
(*e*) It affords valuable data for giving tenders.

(*f*) It gives the proprietors a constant supply of information regarding the effect of fluctuations in prices upon the cost of manufacture, and indicates whether such fluctuations are in material, labour, cost of motive power, etc.

(*g*) It affords much information in the interim between yearly and half-yearly balancing accounts.

There are six principal kinds of Cost Accounts, namely: (*a*) Terminal or Contract; (*b*) Operating or Working; (*c*) Single or Output; (*d*) Multiple; (*e*) Process; (*f*) Departmental.

To obtain the information for the Cost Accounts, we require particulars of materials from Stores Received and Issued Books, and also Stores Ledgers; allocation of wages from Wages Books, with analysis; allocation of sundries from Cash and Petty Cash Books; analysis of expenditure from tabular Purchases Books. Transfers of material from job to job must be carefully noted. Accounts are opened in the Cost Ledger, each showing the job number or title of contract, as


Selling Price.
Total Cost.
Profit.
Prime Cost.
Indirect Expenses (of Selling and Administration).
Flat Cost.
Direct Expenses (of Production and Motive Power.
Materials.
Productive Wages.
Invoice Price.
Carriage, Freight, and Cartage to Factory.
Rent, Rates, Taxes, Insurance (of Factory).
Motive Power, Fuel, Gas, Water, Lighting and Heating (proportion for the Factory).
Wages and Salaries of Foremen and Factory Clerks, Storekeepers, etc.
Interest on Capital Outlay in Plant, Machinery, and Buildings.
Repairs, Renewals, and Depreciation of Plant, Machinery, and Tools.
Lighting and Heating (offices and showrooms).
Rent, Rates, Taxes, and Insurance (office, warehouse, showrooms).
Salaries and Commission (Travellers and Counting-House, Directors, and Managers).
Bank Charges.
Bad Debts.
Advertising.
Depreciation of Furniture.
Fixtures and Fittings.
Interest on Loans.
Method of Reading the Chart.
Selling Price includes Total Cost plus Profit.
Total Cost „ Prime Cost „ Indirect Expenses.
Prime Cost „ Flat Cost „ Direct „
and so on.

the case may be; and if the costing books are kept on double-entry methods—similar to those which exist in ordinary book-keeping—the books may be made self-balancing and they may be reconciled with the financial books.

Procedure in Large Works. The following is a rough outline of the procedure usual in large works, and will serve to show the connection between the various departments. The general manager or director gives instructions to the works manager to manufacture certain goods. Specifications and working drawings are prepared in the designers' department (called the drawing office), which, in turn, are submitted to the "rate-fixer" in the works manager's department, the rate fixed determining the piece-work price for labour (as explained in the section relative to the payment of wages). Orders for material are sent to the order office, and in due time the materials arrive in the rough stores, awaiting issue. Cards of certain colours (one colour for manufacture of parts and another for fitting and assembling of parts into the completed structure) are prepared, to follow with the goods through the various departments where the processes are carried on. The materials are sanctioned by the works manager's office and requisitions presented at the rough stores, and the work is carried on, passing through the various workshops and, finally, going into the view-room for inspection. Wages are there authorised and the labour receipts passed to the works manager, to be checked and passed to the wages departments and costs department. The manufactured parts find their way to the finished stores and are re-issued to the fitting shops. Requisitions for further stores are made; and the particulars of these being recorded in the Stores Books, are available in the costs department. From the fitting shops the completed structure—say, a machine or a motor-car—is passed into the view-room, and, after a satisfactory inspection, authority is given for wages to be paid to the operatives in the fitting shops. The labour receipts are checked by the works manager, and find their way to the wages department, cost department, etc., as in the previously mentioned case of manufactured parts The same kind of procedure is gone through with regard to wages and material expended upon maintenance of works, plant, machinery, and tools, and also with regard to those of a capital nature (i.e. extensions of buildings, manufacture of patterns, plant, and tools). Statistics are compiled, elaborate summaries and analyses are drafted, and all these details, when completed, are at the disposal of the accountant, who will be able to incorporate them in the financial records of the concern, place them in suitable form for the consideration of directors (if a company) or of the proprietor (if the business is owned by a private trader).

COMMERCIAL LAW

Continued from page 416

LESSON X.

MISCELLANEOUS POINTS ON CONTRACT.

Introductory Remarks. The particular matters connected with contract already dealt with are those which must be ever present to the mind of every commercial man when he is entering into an agreement. But there are, nevertheless, many other matters of great complexity which have to be considered when the cases are not of the simplest character. Still, if it is borne in mind that in all contracts there must be two or more parties who are of legal capacity to contract, that there must be an absolute agreement between them as to a certain matter which is both legal and possible, that the agreement must have been arrived at without anything in the shape of mistake, misrepresentation, or fraud—and to these there must be added undue influence and duress—and that all the formalities have been observed (such as sealing, writing, and the existence of a consideration), there will not be much danger of going far astray in pressing home the rights which have arisen under the circumstances.

Assignment. In the earliest stage of English law, if A and B entered into a contract, A and B were the only persons who could have anything to do with the same. Thus, if A agreed to pay B £100 in respect of certain work done by B, and the work was done, A could pay no one else but B for it, no matter what B said about the liquidation of the debt. In law, there was no right of assignment. But at the present time that is completely altered. If B wishes that the payment of the money should be made to a third person, say, C, and gives notice in writing, signed by himself, to A to that effect, and does not add any qualification to this assignment, then A *must* pay C; and if A insists upon paying B instead of C, C can bring an action against A for the amount. There is one special point, however, to notice, and it is this. Suppose A has agreed as above, but during the progress of the work he has advanced £50 to B in part payment of it, if B purports to assign the whole debt of £100 to C, C cannot claim more than the balance of £50 which would have been due to B if B had had to sue. Put into legal language, an assignment can only be made "subject to the equities." It would be inequitable for B to claim the £100, and so it would be equally inequitable for C to be allowed to do so.

But although the rights arising out of a contract may be assigned, the liabilities under it can never be assigned without the consent of the parties. Thus, taking the example just given, although B can assign his *right* to receive the money, he cannot hand over the *obligation* to do the work to a third party, unless A is willing to allow him to do so.

Statutes of Limitation. For the purpose of putting a limit to the time within which an action may be brought, various statutes, called Statutes of Limitation, have been passed, the most important being those of 1623 and 1833. Roughly speaking, the main points arising out of these statutes are that an action upon a contract under seal must be commenced within twenty years, and upon any other contract within six years from the date when the right to sue arose. There are several exceptions to the general rule. Thus, if the party who is bound makes a promise in writing, signed by himself or his duly authorised agent, to pay the debt or even admits that it is owing, or if he makes a part payment of the debt, or interest in respect thereof, the twenty years or the six years, as the case may be, run from the date of the acknowledgment or the payment respectively.

Discharge. Naturally, a contract is discharged if the Statutes of Limitation, mentioned in the last paragraph, have come into play. The other principal modes in which a contract is put an end to are as follows—

(1) By Agreement. The parties may always agree that the contract shall be dissolved. The mutual agreement to discharge the original contract is a sufficient consideration for the new contract. If the original contract was a simple one, a verbal agreement to discharge is sufficient, though it is always safer to have it evidenced by writing. If the original contract was under seal, the new agreement to discharge must be under seal also.

(2) By Performance. This speaks for itself. If all the terms have been carried out, there is nothing more to be done.

(3) By Impossibility of Performance. This has been referred to with sufficient fullness at an earlier stage.

(4) By Breach. Directly one of the parties has broken any stipulation or covenants entered into, amounting to a condition the contract is discharged; and in its place there is a cause of action which the party aggrieved can immediately put into operation.

(5) By Merger and Estoppel. "Merger" means the substitution of a higher grade of contract for a lower: as a deed for a simple contract. An "estoppel" signifies something which is conclusive against a party, by either word or act. The best illustration is a judgment of the court, which acts conclusively for the benefit of the person in whose favour it has been pronounced.

COMPANY SECRETARIAL WORK

Continued from page 425

LESSON II.

HOW A REGISTERED COMPANY IS FORMED.—While it is not for a moment suggested that the junior assistant in the secretary's office will necessarily take any active part in the formation of the company, it is nevertheless really essential, for the proper and intelligent performance of his duties, that he should be familiar with the formalities by which a registered company comes into existence.

Let us assume that Mr. Vardy has, for many years, been in business as a manufacturer of machinery, etc., and, having built up a profitable business and accumulated a competency, he is desirous of being relieved from many of the cares and worries of business without actually retiring altogether. His friend, Mr. Pollard, suggests to him that a company be formed to take over the business, Mr. Vardy to receive a good round sum for what is called the "goodwill," and to be retained as managing director or as chairman of the Board, on a remunerative basis; while he, Mr. Pollard, will, for a consideration, find gentlemen willing to invest a considerable amount of capital in the business, thus rendering possible a great expansion in the turnover. This operation is known as "floating" the business as a company, Mr. Vardy being the *vendor* and Mr. Pollard the *promoter*. The vendor, therefore, is the person who sells to the company the principal property with which it will commence business; while the promoter is the person who takes the necessary steps for the formation of the company, arranges all the details, and brings together a body of gentlemen to invest their capital and to act as the first directors. In some cases, of course, the vendor himself may be the promoter.

When all the details have been arranged, certain documents must be deposited or registered with the Registrar of Companies of that part of the country in which the registered office of the company is to be situated. If the registered office is to be situated in England or Wales, the documents must be registered at Somerset House; if in Scotland, at the Companies' Registry in Edinburgh; if in Ireland, at the Customs House, Dublin. Of these documents, the two which are of greatest importance are (1) the Memorandum of Association and (2) the Articles of Association.

Memorandum of Association. This may be described as the charter of the company, describing its powers and prescribing the limitations beyond which it cannot go. As the Memorandum cannot be altered after registration, except to a limited extent, and then only with the sanction of the proper authority, it is exceedingly important that great care be exercised in drafting it, and this is, consequently, a task which is almost invariably assigned to the company's solicitors.

The following example, with the notes thereon, will give a sufficiently clear conception of the form and contents of the Memorandum—

THE COMPANIES ACTS, 1908 TO 1917.

COMPANY LIMITED BY SHARES.

Memorandum of Association of the Commercial Engineering Company, Limited.

1. The name of the company is The Commercial Engineering Company, Limited.

(*No two companies may be registered under the same name, and no company may adopt a name so closely approximating to that of another company as to be calculated to deceive. Where a company is named after its founder, it is usual to insert also the name of the town in which it carries on its principal business*, e.g. *John Golsworthy* (*Liverpool*), *Limited. A similar practice obtains where one parent company controls or has working arrangements with other subsidiary companies*, e.g. *Boots, Cash Chemists* (*Eastern*), *Limited; Boots, Cash Chemists* (*Southern*), *Limited; etc.*)

2. The registered office of the company will be situate in England.

(*Nothing more is required. If the office is to be situate in Scotland or Ireland, the clause will be altered accordingly; but Wales is, for legal purposes, considered as part of England. It might be mentioned here as an item of interest that no provision exists for the transfer of the registered office from one country in the kingdom to another* (e.g. *from Scotland to England*). *Before such a transfer could be effected, it would be necessary for the company to resort to the expensive legal process of winding up and reconstruction.*)

3. The objects for which the company is established are—

(*a*) To acquire and take over as a going concern the undertaking and all or any of the assets and liabilities of Edwin Scott Vardy, and with a view thereto to adopt the agreement referred to in Clause 5 of the company's Articles of Association, and to carry the same into effect with or without modification.

(*b*) To carry on business as engineers, iron-founders, steel smelters, plumbers, electricians, blacksmiths, whitesmiths, coppersmiths, tinsmiths; and to buy, sell, manufacture, and deal in commodities of all kinds which can conveniently be dealt in by the company in connection with any of its objects.

(*It is most essential that the whole of the objects of the company should be given in the fullest detail. The above is only a brief outline, and in actual practice it is quite common for the "objects clause" to extend to thirty or more paragraphs similar to the foregoing. The reason for this is that the company may not enter into any contract, or engage in any business, which is not within its powers as set out in the Memorandum. We have already seen that a company is an artificial person created for certain limited purposes or objects, and any act outside those objects is said to be "ultra vires"* (i.e. *beyond the powers of*) *the company. It is, therefore, customary and advisable to take power in the Memorandum to carry on every kind of business which is at all likely to come within the scope of the company's work.*)

4. The liability of the members is limited.

(*Nothing more need be stated. It is commonly supposed that the meaning of "limited liability" is that no member of the company is liable to pay a greater amount than that which he has invested in the company. This is not quite correct. A member is liable to the extent of the nominal amount of the shares held by him. If, therefore, Mr. C. H. Parker purchases, from a friend,* 100 £1 *shares in the Hertfordshire Banking Co., Ltd., the extent of his liability will depend upon whether the shares are fully paid, or whether they are only partly paid. If the shares are fully paid, he has no liability remaining upon them, and in the event of the company's failure the utmost amount he is liable to lose is the amount for which he purchased the shares. If, however, the shares are not fully paid, he is, in addition to the possible loss of the amount paid for the shares, liable to pay to the company the amount remaining unpaid upon the shares.*)

5. The capital of the company is £20,000, divided into 20,000 shares of £1 each.

(*Sometimes the Memorandum stipulates the classes into which the capital is to be divided, but this is not essential. The different kinds of share capital will be dealt with later.*)

6. We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

(*This is called the Declaration of Association.*)

The Memorandum must then be signed, in the case of a public company, by at least seven persons; or, in the case of a private company, by at least two persons. These persons are called "subscribers," and must sign in the presence of a witness. It is not necessary that the same witness should attest the whole of the signatures, and, if desired, one subscriber may attest or "witness" the signature of another subscriber. Each subscriber must write his name, address, and occupation, together with the number of shares he agrees to take. No person may sign for less than one share; and, in practice, it is customary for the subscribers simply to subscribe for one share only, in order to satisfy the statute, no matter what may be the number really intended to be taken.

When filed, the Memorandum must be stamped with a 10s. deed stamp, and with a fee stamp varying to a maximum of £50 according to the amount of authorised capital.

The reader will find it very useful to peruse a copy of an actual Memorandum of Association. If not in a position to inspect the Memorandum of his own company, he should obtain the prospectus of some newly-formed company; this will be found to contain a copy of the company's Memorandum of Association.

Articles of Association. The Articles of Association, which are filed at the same time as the Memorandum, are of even greater importance to the secretary than is the Memorandum, for they set out the regulations for the internal government of the company. For instance, if a newly appointed secretary does not know, in the case of his new company, exactly how many directors form a quorum (i.e. the minimum number of directors who must be present at a Board meeting in order to make such meeting valid), he will find the information stated in the Articles. The Articles of Association, then, are the regulations governing the internal management of the company, dealing with such matters as the issue of share certificates, the making of calls on shares, the restrictions upon transfers, the holding of general meetings and the proceedings thereat, the voting rights of members, the powers, duties, and election of directors, the issue of notices, etc.; and the secretary will find it necessary to make himself thoroughly familiar with the contents of his company's Articles, so that he may be certain that all business done, either by himself, or by the Board, or by the company in general meeting, is carried out in accordance with the requirements laid down therein.

The Articles differ from the Memorandum, inasmuch as they may be altered by the company itself by passing and confirming a special resolution. The words "special resolution," in connection

with registered companies, have a particular meaning of their own, with which we shall deal later. The Articles must be printed, arranged in paragraphs numbered consecutively, signed by the persons who signed the Memorandum, and stamped with a 10s. deed stamp.

Table A. If a company does not wish to go to the expense of preparing and printing a special set of Articles, it may, instead, consent to be governed by a model set of Articles contained in the first schedule of the Companies (Consolidation) Act, 1908, known as "Table A." It is, however, very seldom that this is done, as the difficulties of laying down a code of Articles which would be acceptable to every company are obvious. In the alternative, a company may adopt a *part* of Table A, substituting for the remainder Articles more in accordance with its own requirements. As Table A extends to 114 clauses, it is too voluminous to reproduce here; but the reader will find it contained in most works on Company Law, and in many of the modern text-books on Book-keeping and Accountancy.

CERTIFICATE OF INCORPORATION.—When the Memorandum and Articles (together with certain other documents which need not be dealt with here) have been filed and approved, and the necessary fees paid, the Registrar grants a "Certificate of Incorporation," which is conclusive evidence that the company has been duly registered under the Companies Acts.

NOMINAL CAPITAL.—In the case of a limited liability company, the word "capital," used by itself, is capable of so many meanings as to convey no meaning at all. The amount of capital which is stated in the Memorandum—in this case, £20,000—is known as the "nominal" or "authorised" capital, and represents the maximum amount which the company, at the time of its registration, is empowered to raise by way of shareholders' capital. It should, however, be remembered that the company may, at any time subsequently, increase its nominal capital by simply registering the necessary forms and paying additional fees. It is the amount of the authorised capital which determines the cost of forming a company. If, for instance, it is desired to form a company with a nominal capital of £100, the total fees and stamps would amount to about £4; if the capital is to be £10,000, the fees would amount to about £108; while if the capital is to be £1,000,000 the amount of the fees would be about £10,050. In order, therefore, to save expense, a company does not usually take power to issue more capital than it is likely to require in the early future, since authority to issue further capital can always be obtained if desired.

LOAN CAPITAL.—This term is very convenient for use in practice, but if imperfectly comprehended it is apt to give a wrong impression. The word "capital," as generally accepted, means something which a firm or undertaking possesses—a "backing," as it were, guaranteeing the payment of its debts. But loan capital, so far from being something which is possessed, is a debt due from the company. It simply represents the amount which a company has borrowed by way of loan, either with or without giving security. While, therefore, the company may not raise capital by the issue of shares beyond the amount which represents its authorised capital for the time being, there is nothing to prevent it (if it is a trading company, and if there is no restriction in its Memorandum or Articles) from accepting loans up to *any* amount. These loans, being a debt due by the company, are repayable before any part of the real capital is returnable to the shareholders; and the interest upon such loans is a charge against revenue, and is, therefore, payable in priority to any dividend to shareholders. We may summarise the matter, therefore, by saying that share capital is the amount received by the company from its members, while loan capital is the amount borrowed by the company from other persons.

ISSUED CAPITAL.—We have seen that the amount stated in the Memorandum is referred to as the "nominal" or "authorised" capital, and that it represents the maximum amount of shareholders' capital which the company is, for the time being, empowered to raise. But the company is not compelled to raise the full amount immediately. It may be that the whole amount is not required for some little time; or, on the other hand, it is possible that the company may have difficulty in finding persons to apply for the shares, with the result that only a portion of the capital is taken up. In the example we have considered—that of the Commercial Engineering Company, Limited—we saw that the nominal capital of the company was £20,000. This is, for the time being, the maximum authorised capital. If the directors decide that, for the present, they require only £15,000, and this amount is offered to the public and allotted, then £15,000 would represent the "issued" capital of the company.

PAID-UP CAPITAL.—But we can go further. It may happen—and usually does happen—that the company does not require the shareholders to pay the full amount all at once. If the capital is offered in shares of £1 each, it is probable that the amount would be paid up as to 2s. 6d. per share on application; 2s. 6d. per share on allotment; and three "calls" of 5s. each, as and when required by the directors. It will be seen, therefore, that while £15,000 may be the amount of issued capital, the amount which the company has actually received might be only £7,500, that is to say, 2s. 6d. per share on application; 2s. 6d. per share on allotment; and 5s. per share on "first call." This amount of £7,500 would be referred to as the "Paid-up" Capital.

INSURANCE

Continued from page 423

MARINE INSURANCE (*concluded*).

LESSON III.

ASSIGNMENT OF POLICIES.—At common law, a policy of marine insurance was not assignable, as the rights of the assured under it constituted a *chose in action*. Assignment was first allowed by the Policies of Marine Assurance Act, 1868, an Act which has now been repealed and substantially re-enacted by the Marine Insurance Act, 1906—the whole matter being dealt with in Sections 50 and 51. As the law stands at present, a marine policy is assignable unless it contains terms expressly prohibiting assignment, and this assignment may take place either before or after a loss. The assignee is enabled to sue thereon in his own name, but the insurer is at liberty to set up any defence which he would have had against the assured. The general method of assignment is by indorsement of the policy, or by delivery. Where the assured has parted with or lost his interest in the subject-matter insured, and has not, before or at the time of doing so, expressly or impliedly agreed to assign the policy, any subsequent assignment of the policy is inoperative; but this provision does not in any way affect the assignment of a policy after a loss has taken place.

THE PREMIUM.—The premium, of course, is the consideration for the insurance; and unless it has been otherwise agreed, it is the duty of the assured or his agent to pay the premium agreed upon, and the duty of the insurer to issue the policy to the assured or his agent. The payment of the premium and the issue of the policy are concurrent conditions, and the insurer is not bound to issue the policy until the premium has been paid or tendered.

POLICY EFFECTED THROUGH BROKER.—Where a policy of marine insurance is effected on behalf of the assured by a broker, unless there is some agreement to the contrary, the broker is directly responsible to the insurer for the premium; and the insurer is directly responsible to the assured for the amount which may be payable in respect of losses, or in respect of the returnable premium. As a compensation for this liability, unless the parties otherwise agree, the broker has, as against the assured, a lien upon the policy for the amount of the premium and his charges in respect of effecting the policy; and, where he has dealt with the person who employs him as a principal, he has also a lien on the policy in respect of any balance on any insurance account which may be due to him from such person, unless when the debt was incurred he had reason to believe that such person was only an agent Where a marine policy effected on behalf of the assured by a broker acknowledges the receipt of the premium, such acknowledgment is, in the absence of fraud, conclusive as between the insurer and the assured.

RETURN OF PREMIUM.—If the policy contains a stipulation for the return of the premium, or a proportionate part thereof, on the happening of a certain event, and that event happens, the premium, or a proportionate part thereof, as the case may be, is thereupon returnable to the assured. But apart from any stipulation, repayment of the whole or a part of the premium may be demanded. For example, if the consideration for the payment of the premium totally fails, and there is neither fraud nor illegality on the part of the assured or his agent, the premium is thereupon returnable to the assured. And where the consideration for the payment of the premium is apportionable and there is a total failure of any apportionable part of the consideration, a proportionate part of the premium is, under similar conditions, thereupon returnable to the assured.

STAMPS.—The duties at present are—

	s.	d.
(*a*) For or upon any voyage—		
Where the sum insured does not—		
exceed £250	0	3
exceeds £250 but not exceed £500	0	6
,, £500 ,, ,, ,, £750	0	9
,, £750 ,, ,, ,, £1,000	1	0
,, £1,000, for every £500 and any fractional part of £500	0	6

(*b*) For time—

Where the insurance is made for any time not exceeding six months, an amount equal to *three times* the amount which would be payable if the insurance were made upon a voyage.

Where the insurance is made for any time exceeding six months and not exceeding twelve months, six times the amount which would be payable if the insurance were made upon a voyage.

Where the premium or consideration does not exceed the rate of 2s. 6d. per cent. of the sum insured, the stamp duty is 1

LOSSES.—Unless the policy of insurance contains some provision to the contrary, the insurer is liable for any loss proximately caused by a peril which has been insured against. In the absence of any special provision, there is no liability for any loss which is attributable to the wilful misconduct of the assured, to delay, to wear and tear, to ordinary leakage and breakage, to inherent vice or the nature of the subject

matter insured, to rats or vermin, or to injury to machinery not proximately caused by maritime perils. If a ship is totally lost and the goods are totally lost or destroyed, the full amount of the loss is recoverable from the underwriters. If, on the other hand, it is a case of a partial loss only, the extent of the injury must be ascertained before any claim can be made.

TOTAL LOSS.—A total loss may be either an actual total loss or a constructive total loss. It is actual when the subject-matter insured is destroyed or so damaged as to cease to be a thing of the kind insured, or where the assured is irretrievably deprived thereof. Thus, if a vessel is driven ashore, and is left in such a position that there is not the slightest chance of her ever going to sea again, although she might be broken up and her parts utilised in various ways, as masses of timber or iron, there is an actual total loss. Where the ship concerned in the adventure is missing and no news is received of her after the lapse of a reasonable time, an actual total loss is presumed.

A total loss is constructive when the subject-matter insured, although existing in specie, is justifiably abandoned, because its destruction is highly probable, or because it cannot be prevented from being wholly lost except at a cost greater than its value would be if the expenditure was incurred. Thus, if a vessel is driven into such a position that her cargo of the value of, say, £5,000 could not be taken to its destination at a less cost than, say, £6,000, there is a constructive total loss. The test is this: Would there be an expenditure required for salvage in excess of the value of the goods? Where there is a constructive total loss, the assured may either treat the loss as a partial loss, or abandon the subject-matter insured to the insurer and treat the loss as though it was an actual total loss. The fact that a ship insured and abandoned is restored after the commencement of an action upon the policy does not disentitle the owner to recover as for a total loss. For further particulars, reference should be made to Sections 60 and 61 of the Marine Insurance Act, 1906.

NOTICE OF ABANDONMENT.—When there is an actual total loss, no notice of abandonment need be given. When the loss is a constructive total loss, notice of abandonment must be given to the insurer, otherwise the loss can only be treated as a partial one, unless the insurer agrees to waive the notice. The notice must be given at the earliest possible opportunity, and must be certain, unconditional, and of the whole thing insured. The notice need not necessarily be in writing; oral notice is quite sufficient. If the insurer refuses to accept notice of abandonment when properly given, the rights of the assured are in no way prejudiced by reason of such refusal; but when the notice is once accepted by the insurer, the abandonment is irrevocable; and the insurer is entitled to take over the interest of the assured in whatever may remain of the subject-matter insured, and all proprietary rights incidental thereto, including any freight in course of being earned, and which is earned subsequently to the casualty causing the loss, less the expenses of earning it incurred after the casualty. Also where the ship is carrying the owner's goods, the insurer is entitled to a reasonable remuneration for the carriage of them subsequent to the casualty causing the loss.

PARTIAL LOSS.—This is the loss which is incurred when the subject-matter of the insurance is only partially damaged, or where there is no obligation to contribute to general average. This kind of loss is the subject of adjustment, a matter of no inconsiderable difficulty in many instances.

SETTLEMENT OF LOSSES.—If there is a total loss, the amount payable by the insurer to the assured in respect of the ship is the sum fixed by the policy when it is a valued policy, and the full insurable value of the ship at the commencement of the risk when the policy is an unvalued one. In the case of partial loss, the settlement is known by the name of "adjustment," and it is carried out in a general way by the brokers of the respective parties on behalf of their principals. Sometimes, however, an "average stater" is employed, that is, a person who is specially skilled in all matters referring to marine insurance affairs. The first thing that has to be done is to make a calculation of the extent of the injury which has been sustained and then to apportion the loss. If the ship is on its first voyage, the amount payable by the insurer is generally the full extent of the damage (i.e. the sum which would be required to restore the ship to its original condition). In other cases, the insurer is called upon to pay the cost of the repairs, less the customary deductions, which generally means one-third of the damage. Thus, the shipowner must bear that portion of the loss, seeing that he is getting the benefit of new materials for repairs, and the insurer is only called upon to pay the remaining two-thirds. In the case of goods, if there is a total loss, the amount recoverable is the sum agreed upon if it is a valued policy; if an unvalued one, the insurable value is the amount which the assured is entitled to (i.e. the prime cost of the goods, together with shipping and insurance charges). As to the amount recoverable for the partial loss of cargo, the calculation is made according to recognised rules, and the estimated loss depends upon the different values of the goods (1) at the port of dispatch, (2) at the port of destination as if perfect, (3) at the port of destination in their damaged condition.

It is impossible in the space allotted to deal with "average" contribution in its various details. For this and for other matters, the reader must refer to the Marine Insurance Act itself.

Photo *Elliott & Fry.*

THE RT. HON. LORD COWDRAY

President of S. Pearson & Son, Ltd.

LEADING INDUSTRIES

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OILS

CLASSES OF OILS.—The term "oil" is used to describe a large number of products, many of which have nothing whatever in common about them, with the exception that they are more or less insoluble in water and flow with a certain degree of viscosity. It is only natural, therefore, that the idea conveyed by the name "oil," unless accompanied by some qualifying word, should be very different in the cases of different persons. In spite, however, of these differences, it has become customary to divide oils into three classes, namely, (1) fatty or fixed oils, (2) essential oils, and (3) petroleum or mineral oil.

FATTY OR FIXED OILS.—These include a large number of products, which cannot be distilled without undergoing a certain amount of decomposition. Strictly speaking, there is no essential difference between fats and oils, for if an oil is sufficiently chilled it becomes a fat, while most fats will become oils in a tropical climate. The oils of this class are inflammable, leave a permanent stain on paper, and have a soft feel when applied to the skin. They are further sub-divided into the two classes of animal and vegetable oils, according to their origin. The former are obtained from various animal fats by a process of steam-heating, technically known as "rendering," and the latter are obtained from seeds or fruits by powerful pressure. Both animal and vegetable fats and oils consist largely of glycerides, and undergo saponification when treated with an alkali. The principal animal fats are lard and tallow, which are obtained from the fatty tissues of oxen, sheep, and pigs. Butter is quite distinct from other fats, and is derived from the milk of mammals. In normal times the import trade in these three articles is enormous. Of oils, also obtained by "rendering," the most important are neat's foot, lard oil, tallow oil, and chrysalis oil. Fish and marine animals also supply oils which are derived in the same manner. Of these it is sufficient to mention cod-liver oil, which is valuable as a food, and whale oil, shark oil, porpoise oil, and menhaden oil, which are useful in the manufacture of leather, lubricants, and soap. It would be impossible here to enumerate the various kinds of vegetable oils, or to give any account of the methods of refinement. Suffice it to say that olive oil, cotton seed oil, maize oil, sesame oil, and linseed oil are the best-known of the fixed vegetable oils, whilst typical vegetable fats embrace cocoa butter, cocoanut oil, and palm oil. Amongst fixed oils are generally included beeswax, spermaceti, sperm oil, and wool fat. Reference must just be made to a further division of fixed oils into drying and non-drying. The former are mainly used for mixing painters' colours.

ESSENTIAL OILS.—Essential or volatile oils are generally obtained by distilling the leaves, flowers, or other organs of plants with water. It is to these essential oils that the perfume of flowers and the fragrance of fruits are due, and by mixing artificial chemical compounds a product distinctly resembling the natural oil is produced. Their principal ingredients are hydrocarbons closely allied to turpentine, together with small quantities of oxidised products and resins. They are inflammable, leave a greasy mark on paper, which is removed by warming, feel harsh to the skin, and may be distilled without undergoing much change. Most essential oils have a powerful odour, which varies according to the nature of the plants from which they are obtained. Amongst the best known of essential oils are rose-oil, or "otto of roses," lavender oil, and geranium oil. The principal of the essential oils which are used for flavouring purposes are those of lemon, orange, juniper, peppermint, bitter almonds, and cloves. To the class of essential oils belongs turpentine, which is distilled from the resin collected from certain species of pine trees.

PETROLEUM OR MINERAL OIL.—This product, also called rock oil, is a thick oil consisting mainly of a mixture of paraffins, olefines, and hydrocarbons of the benzene series. It is found in pockets in strata of rocks, often at very great depths. In some places it rises naturally from fissures in the rocks, but as a rule boring is necessary to make an outlet for it. Apparently it was originally formed from animal or vegetable remains which were decomposed under great pressure into the heavy oily substance that issues from the wells. Petroleum is found chiefly in the United States, Canada, and Russia, the most celebrated springs in the last-named country being at Baku. At Baku, especially, the crude oil flows from the wells in a steady stream, and is collected in large reservoirs on the spot. Thence it is conducted by means of pipes, running hundreds of miles, to the refineries near the coast, so that the refined products may be shipped direct for distribution to the trade. The distillation of the crude petroleum oil is a matter of great importance and interest, and the machinery used has for its object the production of as much as possible of the two chief products, namely, light petroleum spirit (petrol) and lamp oils. The trade in petroleum oil has advanced enormously in recent years, and its future is the subject of much interest and speculation.

COMMODITIES OF COMMERCE

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CORDITE.—This valuable smokeless explosive, which was first introduced by Sir Frederick Abel, is made principally from nitro-glycerine and gun cotton, with the addition of a small quantity of mineral jelly or vaseline, the proportions of the three ingredients at the present time being 30, 65, and 5. The nitro-glycerine is first mixed with acetic ether and then poured over the gun cotton, which has been dried and reduced to a pulp. Afterwards, the vaseline is added, and the compound is mixed until it has the consistency of jelly. The next thing is compression by machinery and when this has been done the substance is cut into desired lengths and converted into pliant threads. The name "cordite" is given to it on account of its cord-like appearance. There are various other processes required before the cordite is ready to be made into cartridges. This explosive is of prime utility because not only does it possess great force, but it is particularly safe to handle. Moreover, it is uninfluenced by moisture or by temperature up to 93°C. Cordite is chiefly manufactured in England at the Royal Gunpowder Factory at Waltham Abbey.

CORK.—Cork is the outer bark of the cork tree, *Quercus suber*, a species of oak grown in Spain, Portugal, Algeria, and Tunis. The life of the tree is about 150 years. The first cuttings are made when the tree is 25 years old, and if the bark is carefully removed, the cutting may be repeated every eight or ten years. The detached pieces of bark are soaked in boiling water, scraped, treated with oxalic acid, dried, and superficially charred to remove any decayed parts and to conceal blemishes. They are then packed in bales for the market. The uses of cork are very varied. As it is impermeable, it is extensively employed to stopper bottles and casks, and for the same reason the inner soles of boots are manufactured from it. Owing to its lightness, it is valuable in the construction of floats, lifebelts, and lifeboats, as well as for making lining for men's hats. The waste, left after cutting, is ground and used for linoleum. Burnt cork is the source of Spanish black.

DYNAMITE.—This powerful explosive, which first became of commercial importance in 1867, is now generally prepared by saturating 25 per cent. of kieselguhr, a siliceous earth found chiefly in Germany, with 75 per cent. of nitro-glycerine, kneading it into a paste, and passing it through a sieve. When thus prepared, dynamite is a loose powder of a reddish-brown colour. Another method of preparation is to mix 71 per cent. of potassium nitrate with 18 per cent. of nitro-glycerine, 10 per cent. of powdered charcoal, and 1 per cent. of paraffin. This variety is black in colour and rather drier than the other. Dynamite is made up in cartridges cased in waterproof paper. Small quantities may be burned without danger, but when exploded with a detonating force it is very violent in its effect. For this reason, it is valuable in mining and quarrying when large masses have to be removed. As it is only slightly affected by water, dynamite is almost invariably employed in submarine operations.

ESPARTO.—This is the name given to a species of grasses found in the various countries bordering upon the Mediterranean Sea, the chief of which is the *Stipa tenacissima*. The plant is a particularly graceful one, and is often cultivated in Great Britain on account of its beauty. The chief use of esparto grass has been for a long time in the manufacture of carpets, baskets, ropes, nets, etc.; but more recently its chief application has been for paper making. The grass grows wild, and does not require much moisture. Owing to waste and destruction in cutting and pulling up the plant, efforts have been made to subject its cultivation and treatment to governmental control in Spain and Algeria, from which countries the principal supplies are obtained.

FLAX.—Flax is the valuable fibre obtained from plants of the order *Linaceae*, the principal of which is the annual common flax, the *Linum usitatissimum*. The flax plant grows largely in Russia, Austria, Belgium, France, Saxony, and Italy. Considerable crops are still raised in Ireland, but foreign competition has practically destroyed the cultivation in Great Britain; and the linen industry is mainly dependent upon foreign supplies. The flax fibre is found in the stem of the plant, and has to be separated by various processes, known as retting, drying, and scutching, when it is ready for the linen factories. Belfast is the centre of the linen manufactory of the United Kingdom, and the trade is one of the chief causes of the prosperity of that city. In Scotland, Dundee is the great centre of the linen trade, though several other towns are of first-class importance. In Belgium, Ypres has been long noted for its products. The finest flax is used in the manufacture of Brussels lace. Other particulars as to the flax fibre are given in the article on "Linen." Another important product of the flax plant is linseed oil, which is obtained by pressure from the crushed seeds, and afterwards used in the making of oil-cake and linseed oil.

New Zealand flax is a fibre entirely different from that above described. It is obtained from the leaf of the *Phormium tenax*, and is used for cordage and in basket-making.

CARD INDEXING AND FILING

LESSON I.

INTRODUCTION.—The twentieth century has thus far been noteworthy for the extension of scientific methods to business affairs. This is probably due to the growth of competition and the narrowing of the margin between buying and selling prices. Whatever be the true reason, it is certain that of late years the keen intellects of skilled organisers have been directed not only to the problems of advertising, buying, selling, and accountancy, but also to those of recording, dispatching, and preserving the documents necessary to commerce.

The old free and easy ways of doing things, in which the clerk was often a law unto himself, are, in the interests of efficiency and economy, more and more giving way to the systematic application of certain well-defined and important principles. It is not surprising, therefore, that during a period when courses in scientific advertising and salesmanship in the publicity department; loose-leaf and quick-add account books, adding and calculating machines in the accountancy branch; and typewriters and rotary copiers in the correspondence department, have been promoting efficiency and accelerating speed, card indexes and improved methods of filing, also in the correspondence department, have been introduced and widely adopted for quick reference to, and preservation of, business papers.

To the last named part of the great science and practice of the methods and machinery of business, young clerks and those who are preparing for clerical posts are directed in this series of lessons; for in them it is sought to give clear and practical guidance to enable such inquirers to understand and apply the principles which govern the preservation of commercial documents.

THE PROBLEM.—Of necessity, the application of such principles will depend upon the nature of the business to which they are applied. It is obvious that the needs, for example, of the cotton manufacturer who deals with comparatively few customers are not the same as those of a large multiple shop doing a vast mail-order trade. But the problem, in essence, is the same; it is this: "How shall we best keep for ready reference that information and those papers which are or may be worth our keeping?" As instances of communications usually not worth recording or keeping, we may mention many trade notices, circular letters, prospectuses, and appeals.

Little need be said about the necessity of preserving information and documents and making them accessible. Everyone knows how unreliable is the memory for the many details of business, and how the recollection of interested persons often differs as to important particulars. Written records are certainly less likely to be misunderstood or misremembered. This is evidenced by the common course of confirming verbal agreements and arrangements by writing. The young student should remember that letters, or papers with them, contain the records of business bargains or contracts, the legal rights under many of which often depend for their enforcement on the production of written evidence; also that the ability to turn up communications may help to the correct tone of a reply and result in business.

The problem, as stated, does not seem to be that which some business people have solved, if one may judge by the way in which they file their documents. In their case it seems to be merely: "How shall we keep our papers?" or even "How shall we get them out of the way?" For experience shows that some firms get along with the most primitive methods, which, when tested by the inevitable call for reference, involve long search, sometimes in musty and dusty storerooms, invariably cause loss of time, and often provoke ill-temper; sometimes result in failure to find the paper required, and no doubt occasionally cause financial loss.

Some insight into these methods and their appliances will be given; but obviously more attention will be paid to efficient methods, such as are illustrated by one of our large county councils, in the education department of which information respecting one of a large number of schools in one of many areas was put at the writer's disposal in a few *seconds*.

It is to be borne in mind that that method of filing and indexing which involves the expenditure of the least amount of time is not necessarily the best. The question is: "Whose time is being taken up by the method?" That which takes up more of the time of juniors under the direction of a senior may save the more precious time of seniors by placing them quickly in possession of information easily possible to collate by systematic card indexing, and be not merely economical of their valuable time, but even otherwise also remunerative to the business or professional man.

ALPHABETICAL ARRANGEMENT.—"Method goes far to prevent trouble in business. It makes the task easy, saves time in abundance, and instructs those who wait upon our accomplishments what to do and what to expect."—*William Penn.*

The basis of most indexing and filing is the order of the letters of our common English alphabet, and the object is to enable one not simply to put papers

away easily—that can be done without arrangement—but readily to call up documents and other things preserved. The simplest form of arrangement is that of twenty-six divisions—sometimes fewer, as where two, as I–J, or more, as X–Y–Z, are put together—in which all documents, letters, or records indexed (e.g. under P) would be placed in the P division, thus: Proctor, Pickup, Pass, Price—without any attempt either to sub-divide the sections or to place the matter in dictionary sequence: Jones under J; Ballantyne under B; and so on, according to the following rules. Compartments or divisions are decided by—

1. Initial of surname, as already illustrated.
2. Initial of first surname, as in Gibson & Phillips (G).
3. Initial of important word in the permanent name rather than the initial of the surname of an official. (This is generally the first word of a full name, excepting "The" [e.g. John A. Altham, Secretary, The Oldham Spinning Company, Limited] [O].)
4. Initial of *last* part of compound name, thus: Sir Robert Baden-Powell (P).

The last will prevent confusion where there are foreign compound names or those with prefixes: the rule is—*last* in each case.

Letters to or from the following would be indexed or filed as shown—

Maxwell Clarkson	C
Maxwell & Clarkson	M
James McNeil, Esq., c/o John Brown & McNeil	B
Manager, The Eureka Gas Cookers, Ltd.	E
Sir William Ascroft, J.P.	A
Traffic Manager, The Great Northern Railway Company	G
The Rev. Howard James, Jun., B.D.	J
The Right Hon. D. Lloyd George, M.P.	G
Sir James Ashmead-Bartlett	B
The Secretary of State for the Colonies	C
Dr. Barnado's Homes	B

A glance through the directory of a large city will show many names, some of foreign origin, which are quite unfamiliar to the young student, e.g.—

F. d'Amely	A
A. van Lennep	L
Mme. San Carolo	C
Lord De La Warr	W

In considering what is the surname, rule out all foreign prefixes, such as "de," "von," etc.; but names including "Saint" or "St." file under S: as Vicar of St. James's; the St. Andrew's Golf Club.

It should be stated and understood clearly that in indexing, names and subjects may be put under several headings, but it is quite obvious that papers can only be filed in one place.

The foregoing germinal idea of alphabetical classification, however, has been gradually improved upon until some makers are prepared to classify names under 6,000 divisions!

THE BOOK INDEX.—With the usual Book Index, kept either separate from or bound with certain books, such as the Ledger or the Press Copy Letter Book, it is quite impossible to arrange items in dictionary or directory order, as an entry, for example, of the name Fredericks may have to be made before the necessity arises to index the name Fenton. The simple suggestion of dividing the space under each letter of the alphabet into six divisions, according to the vowels A, E, I, O, U, and Y, at once increases the number of useful sections to over 100, and so lessens the number of entries or files to look through for the one required. Suppose the following names are to be indexed, or files for the persons named arranged on the vowel basis: Bretherton, Bilton, Brumfit, Byers, Bury, Bleasdale, Barton, Brough, Bertram, Berry, Bamber, Bright, Brown, Box, Bryte, Bunhill, Bown, Bexhill, Blackburn, Beck, Billiter, Buttery, Bunnell, Bridge, Blatch, Brunton.

By the plan suggested we should have one of the two following arrangements of the Book Index, in which the names are indexed in the space indicated by the first vowel after the initial of the word, or similar order with the files—

B.	Name.	Folio.	Name.	Folio.
A.	Barton Bamber Blackburn		Blatch	
E.	Bretherton Bleasdale Bertram		Berry Bexhill Beck	
I.	Bilton Bright Billiter		Bridge	
O.	Brough Brown Box		Bown	
U.	Brumfit Bury Bunhill		Buttery Bunnell Brunton	
Y.	Byers Bryte			

Compared with the simple alphabetic division, in either case reference is generally facilitated; but the arrangement is not perfectly satisfactory, as the section under which one has to look cannot

A	E	I	O	U	Y	Folio.
	Bretherton	Bilton		Brumfit	Byers	
	Bleasdale			Bury		
Barton			Brough			
	Bertram					
	Berry					
Bamber		Bright				
			Brown			
			Box		Bryte	
				Bunhill		
			Bown			
	Bexhill					
Blackburn						
	Beck					
		Billiter		Buttery		
				Bunnell		
		Bridge				
Blatch						
				Brunton		

be instantaneously determined in some cases, e.g. in words in which the first vowel after the initial occurs late in the word—

Ambrose
Etchells
Ashby
Oldroyd
Ashwell
Innes

But there are words which cannot, according to the strict rule, be put under *any* of the sections, because beyond the initial there are no vowels at all (e.g. Ahn, Ash, Epps, Ord): these would, of course, be filed under the vowel initial. But the rule is not observed, because it cannot be, even with the card index; the vowel sub-division is not satisfactory, because not logical, for in the card tray we should find a card for Bretherton before one for Blick.

THIRD LETTER INDEX.—Another classification takes the third letter in the word as the guide to the sub-division, the entry commencing in the column headed by the third letter. Items are much easier of reference under this arrangement than with the vowel classification, as will be seen from the examination of a third letter index, which will be given in the next Lesson.

Even for book indexes there are other even more elaborate classifications than the foregoing, some of which will be indicated in our references and illustrations of the Card Index. The basis of arrangement is the frequency of combination of certain letters (e.g. under A we might have Al, Am, Ap, Ar, At, as sub-divisions; under E, Ed, Eg, El, Et, Ev).

In many large offices a patent American index, known as "Schlicht's Standard Index," is in use. The extension of alphabetical sub-divisions in it is very cleverly carried out. When the index is closed, one simply sees what appears to be an ordinary alphabetical index: one tab being devoted to "A," the next to "B," and so on; but on opening the book, for example, at "C," one finds a complete sub-index of names beginning with "C," as follows—

Caa to Cal
Cam ,, Caq
Car
Cas to Caz, Cc
Ce ,, Cha
Che ,, Chy, Ci
Cl ,, Cn
Coa ,, Cok
Col ,, Com
Con
Coo to Cor
Cos ,, Coz
Cr ,, Cs
Cu
Cw
Cy
Cz

THE FOREIGN EXCHANGES

Continued from page 418

LESSON V.

RATES OF EXCHANGE (*continued*).—We must now refer to the table which was given at the end of the previous Lesson, and which shows the rates ruling in New York. The sight rate gives us the cost in dollars of £1 payable in London on receipt of the draft. The Cable Transfer (like the Telegraphic Transfers already referred to in relation to the countries of the East) gives us the price in New York of £1, payable in London on receipt of a telegram; and the sixty days' rate is the price of £1 payable in London sixty-three days (allowing for the days of grace) after acceptance of the draft. The figures quoted in regard to Berlin and Paris are those ruling between New York and those two cities, for cables and for "short sight" drafts (i.e. drafts payable eight days after acceptance). The table gives the price in dollars per 100 marks in New York of a draft on Berlin payable on receipt of cable, and the price in dollars of 100 francs payable in Paris at eight days' sight.

It has been explained that the tables we have so far noticed, and which appear daily in the newspapers, are the rates ruling in foreign centres, and which are telegraphed to London each day. These tables are of the highest importance, for the business of foreign bill-changing is done chiefly in foreign capitals. There are far more bills drawn on London than there are drawn by London on foreign centres. There is, however, another table, known as the Course of Exchange, which requires our attention.

COURSE OF EXCHANGE.—The business of dealing in foreign bills (i.e. bills payable abroad) centres in the Royal Exchange. Dealers in foreign bills formerly met there twice a week—on Tuesdays and Thursdays—and on the following days there appeared in the morning papers a table giving the rates ruling in London for bills payable abroad.

Below is a copy of a list which appeared just prior to the outbreak of the great war.

In February, 1921, it was decided to discontinue the bi-weekly meetings on 'Change. Business in bills has become more and more a matter of bargaining over the telephone, and with all the joint stock banks now conducting foreign exchange operations it was considered that these meetings were no longer necessary.

It is important that the distinction between this table and that previously quoted should be kept clearly in view. The second table gives the opposite point of view to the first, being composed of the rates ruling on 'Change in London for bills payable abroad.

The latter table differs in some details from the former. Madrid, for instance, is quoted in the daily table at so many pesetas and cents to the pound sterling, whereas in the Course of Exchange the rate is given at so many pence to the piastre. Again, in the one case Amsterdam is quoted in florins and cents to £1; in the other at florins and stivers to £1 (one stiver equals 5 cents). For Berlin the three months' quotation alone appears in the Course of Exchange, whilst Petrograd —given in the daily table at so many roubles and kopeks to £10—is quoted in pence to the rouble.

Owing to the fact, already noted, that the principal business in foreign exchange takes place abroad in bills on London, the Course of Exchange has not the same importance as is attached to the daily record of rates telegraphed from foreign entres.

COURSE OF EXCHANGE.

Amsterdam, etc., Cheques	12.2½ –12.3	Florins and stivers to £1
Do. 3 months	12.5⅜ –12.5⅞	,, ,, ,,
Antwerp and Brussels, do.	25.65 – 25.70	Francs and centimes to £1
Hamburg, do.	20.74 –20.78	Marks and pfennigs to £1
Berlin, etc., do.	20.74 –20.78	,, ,, ,,
Paris, cheques	25.20 –25.22½	Francs and centimes to £1
Do., 3 months	25.46¼–25.51¼	,, ,, ,,
Marseilles, do.	25.47½–25.52½	,, ,, ,,
Switzerland, do.	25.58¾–25.63¾	,, ,, ,,
Austria, do.	24.48 –24.52	Kronen and heller to £1
Petrograd and Moscow, 3 months	24¾ –24⅞	Pence to 1 rouble
Genoa, 3 months	26.12½–26.17½	Lire and cents to £1
New York, 60 days	48¾ –48⅞	Pence to one dollar
Madrid, 3 months	43 1/16 –43 5/16	,, ,, one piastre
Lisbon, do.	45⅜ –45⅞	,, ,, one escudo
Oporto, do.	45⅜ –45⅞	,, ,, ,, ,,
Copenhagen, do.	18.53 –18.57	Kronor and öre to £1
Christiania, do.	18.54 –18.58	,, ,, ,,
Stockholm, do.	18.54 –18.58	,, ,, ,,

The foreign exchanges represent international dealings of the most complicated character, so much so, that it is not possible always to assign to its exact cause a rise or fall in rates. But it is possible to lay down certain principles which act as a sound guide to the variations of exchange.

FLUCTUATIONS IN EXCHANGE.—The main factor influencing oscillations in the rates of exchange is the law of supply and demand, which in this case resolves itself into a question of the relative indebtedness of two countries. The claims of one country upon another can seldom be exactly equal to those of the other upon the one. Suppose, for instance, that the balance between England and France were against this country, that is to say, we should owe France more money than France owes us. The result would be that there would not be in London sufficient bills payable in France to satisfy the demand, and French bills would go to a premium, which would gradually rise until it reached, or even exceeded, the outgoing specie-point (i.e. the point at which it would be as cheap to export actual coin or bullion, properly insured). The rise to this point is, however, retarded by finance bills, instruments created by "foreign bankers," who draw upon their branches or correspondents abroad, charging a rate sufficiently high to cover commission charges and the expenses of a counter remittance. Theoretically, specie-point must be the limit to which the premium on the money of another country can rise, but in practice this is not always true.

It must be borne in mind that, in London, gold can always be obtained for export; and, this being so, the theory of the specie-point holds good in practice in regard to ourselves. But such is not the case in other countries, and though to export the actual bullion would be cheaper, it is not always possible to obtain it, and the premium on bills on London may rise in Paris well above the outgoing specie-point.

But although the law of supply and demand must always enter into variations of exchange, the working of the law is by no means simple. Supply and demand depend naturally upon relative indebtedness created by the balance of trade; but an artificial supply or demand is frequently created in order to take advantage of variations in the relative value of money in the various centres. There is a close connection between discount rate and exchange rate.

We have made a brief reference to the class of bill known as the finance bill, having no relation to any particular trade transaction, and unaccompanied by documents of any kind. The price of such a bill is governed by the exchange rate, and the rate of discount ruling in the centre upon which it is drawn. It will be obvious that the lower the rate of interest in London, the more favourable to the operator will be the transaction of raising money in, say, Paris, by drawing a three months' draft on London and selling it in the Paris market. If the rate in London is 5 per cent. per annum for a three months' bill, the value of a bill drawn on London for £200 will be, when it reaches there, roughly speaking, £200 less interest for three months at 5 per cent. per annum (i.e £197 10s.). On the other hand, if the rate in London be only 3 per cent., the value of the same bill is £198 10s.

From this it will be clear that a low rate in London encourages the drawing of bills on London, and tends consequently to produce an adverse movement of the exchange.

Again, it is the practice abroad for bankers to hold in their bill-cases a selection of foreign bills, as a readily convertible investment. In order that this investment may be as profitable as possible, the rates for money ruling in other centres are watched. Thus, if the discount rate in London rose above the continental level, bankers abroad would purchase as many bills on London as possible, allowing their holding of other bills to run off. The result would be the creating of a demand for London paper, tending to bring about a strong movement in the exchange rate in favour of London.

A low rate of discount in London is seized upon as a favourable moment for floating foreign loans. There is an ample supply of loanable capital, and borrowing on approved securities will present few difficulties. On the other hand, a high rate discourages borrowing.

We find, then, that a low discount rate produces an increased import of securities, tending to turn the exchange against this country. Again, an adverse exchange re-acts upon the discount rate, for an increased number of bills are being drawn on London, and the movement against us may reach such a point as to attract specie abroad, with the consequence that the Bank (and, following it, the market) will raise the rate of discount to protect the reserve. The movements of the discount rate and the exchange rate are interdependent, and the one cannot move without producing its effect upon the other.

Variations in exchange are, in some cases, still further complicated by another consideration. Those countries with which we have the most extensive international trade have all, either actually or virtually, a gold standard; the exchanges are "gold exchanges." But there are other countries, such as the South American States, where the currency medium is silver or paper, and some countries which have depreciated currencies by reason of an over-issue of paper, and these exchanges are influenced by the varying gold value of the currency medium.

(*Concluded.*)

COMMERCE

Continued from page 421

X.

THE WHOLESALE TRADE.

It has been customary in many branches of commerce, for the last twenty or thirty years, to hear and repeat the saying: "The days of the wholesaler are over."

Yet the wholesale dealer still thrives.

Let us consider some of the facts that told against him. The principal of these may be summed up in a general sweeping attempt, which is a natural consequence of competition, to dispense with all unnecessary middlemen.

In the old days, a manufacturer was rarely a distributor. He made a certain brand of soap, and for him there was work enough to make it without perplexing his mind with the complicated fact that hundreds of thousands of shops—from huge stores down to back-street hucksters—could easily sell that soap. Every centre had its wholesale dealers, largely men of standing and substance, who could buy in quantity and enable him to work a big business with few ledgers and few travellers.

That same soap-maker's rival, manufacturing as good an article, but a little late in the field, was not doing as well. His travellers hadn't the entry to the wholesale buyers in the first place. In the second, those same wholesalers would explain: "We've got that sort of line, and a good trade in it. We shan't disturb it."

"Can't sell much," said the travellers.

"Go to the actual shops, then," said the manufacturer. "I've got a factory to keep going. A few wholesale men shan't stop me."

Comes along Manufacturer No. 3.

"Front street shops well satisfied, and won't change," say the travellers.

"Go to the back-street shops, then," says the maker, "and work up. Get a leg in. We have a factory to keep going."

This history, repeated in a hundred trades, speedily found the wholesale trader competing with the actual manufacturers, and frequently getting the worst of it.

Then a new kind of manufacturer arises; it is true he appears only in certain lines of business.

"My travellers are disappointing me," he declares; "there remains but one thing to do. I will open my own shops."

So Todhunter's Boot Stores come into existence, and Todhunter's trading account is silent about wholesale and retail accounts and commercial traveller's expense.

Yet all the while another influence is at work.

Says Mr. Boake to his partner Mr. Ryall (in the office of Boake & Ryall, wholesale merchants): "There is this new big firm in Aberdeen, and we are in Bristol. How can they send travellers to work this ground effectively and deliver their goods in small parcels? Why shouldn't we make a deal with them? I met one of the partners in London yesterday. The notion is—We will tie ourselves to them, if they will tie themselves to us."

The local store is the local wholesale man's opportunity, which he has never failed to grasp. In a good-sized provincial town where there are many shops of a similar nature, if there were no wholesaler, it would be necessary for those shops (1) to hold absurdly large stocks; or (2) continually to disappoint their customers; or (3) to run a joint wholesale store between them.

The question of freight, carriage, collection, and distribution is a perplexing one for the buyer. The wholesale man solves it.

Here is an actual case.

The traveller for a London firm of importers called on a shopkeeper in Tavistock, and quoted prices.

"I am amazed," said the buyer. "This is my weekly order for these heavy goods for a Plymouth firm. Write down all the lines you supply."

"You will have carriage and cartage to pay," said the traveller.

"I know, and freight from London. But I shall save on this deal."

So the order for rice, sugar, starch, currants, tapioca, and similar goods was copied.

"Now," said the shopkeeper, "I shall send my order as usual to my old friends and see which comes cheaper."

On the next journey, he shook his head.

"The local store beats you," he said. "By the time the currants come from a warehouse in Wapping and the rice from another at Tower Bridge, and they are brought together, I am done. The sugar is hopeless, as the local man runs his own cargoes."

We have largely taken one class of trade—the grocery—for purposes of illustration. In many others the same or similar influences are at work.

It may be taken almost as an axiom nowadays that all manufacturers are making their most frantic endeavours to cut out every kind of dealer who comes between them and their customers. But this very fact gives many wholesale men the chance of showing themselves as the cheapest, easiest, and simplest medium.

"We are your travellers, distributors, debt collectors, and warehousemen all in one," they say. And there is a lot of truth in the contention.

IMPORT TRADE

LESSON I.

INTRODUCTION.—These remarks and explanations with regard to the import trade, from the point of view of the merchant's clerk, are necessarily short for certain reasons. To begin with, all or nearly all the terms and phrases peculiar to the shipping world have been explained in the Lessons on the EXPORT TRADE; and, moreover, it is a far easier matter to receive goods than to ship them abroad. There is not the same formidable routine to be gone through, although a number of forms have to be filled in, and the importer's greatest worry is with the Customs formalities.

First of all it may be as well to consider what are the principal imports of this country and how they are disposed of. Tea, coffee, sugar, and rubber find a market in London at the Commercial Sale Rooms, Mincing Lane; fruit at Covent Garden and elsewhere; oil, seeds, etc., etc., at the Baltic Exchange, London; wool at the Wool Exchange, London; whilst cotton goes mainly to Manchester and Liverpool. Almost all imports into this country are sold at the various exchanges by brokers who can, by virtue of their position, knowledge, and ability command a ready market; but some firms there are who have their own plantations or factories abroad, and who receive the goods themselves and sell them wholesale.

The exporter abroad sends the importer the bills of lading, together with other documents, which latter, however, have nothing to do with the actual conveyance of the goods; but without the bills of lading it is impossible for the merchant to obtain possession of the goods on their arrival. In the event of the importer having his offices or warehouses in a place other than that at which the goods arrive, the bills are forwarded either to the shipping company or (if the merchant employs one) to the shipping agent at the port of arrival, to whom instructions are given to clear the goods and forward them to their destination. In this case, the shipping company (or the agent) will deal with the goods on their arrival, comply with the Customs demands, and forward the cases or packages to their destination.

In addition to the bills, an invoice such as the one shown below would be sent to the importer.

TARE.—Goods are frequently weighed on the lorries or wagons on which they are to be carted away. The lorry or wagon is first weighed empty, so that the weight of the goods can be calculated. The tare is the weight of the empty lorry or wagon.

C.I.F.—This means Cost, Insurance, and Freight. This shipment is what is known as a "c.i.f." shipment—that is, the shipper is responsible for the goods until they are on the quay at their destination. Sometimes the responsibility ends when the goods are (1) on board the steamer; (2) alongside, ready to be shipped. In the first case, the shipment is referred to as "f.o.b." (Free on Board—i.e. the responsibility of the sender ceases when the goods are on board); and, in the second case, to "f.a.s." (free alongside ship).

CUSTOMS ENTRY.—In addition to the necessity of producing the bills of lading before it is possible

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Invoice of 90 *bales cotton* shipped by *J. Johnson & Co.* per *s.s. Orsova* for *London*, by order for account and risk. *John Jarviss, Putney, S.W.*

J. J. & Co. 1/90	90 Bales "So & So."				
		cwt.	qr.	lbs.	
	Gross Weight	290	1	9	
	Tare	12	0	6	
	Net	278	1	3	
			£	s.	d.
	or 31,167 lb. @ 5¼d. c.i.f.		681	15	7
	Less Freight payable at London		91	18	9
			£589	16	10

J. JOHNSON & Co.,
Timbuctoo,
April 1, 19...

to claim the goods, a Customs Entry must be passed at the Customs House—a Government department to be found at every port in the country. The majority of goods imported into this country are not liable to duty (England being a Free Trade country), and a "Free Entry" is passed; but for those upon which duty must be paid an "Entry for Home Use" must be obtained. All these entries are made out on separate and special forms issued by the authorities, and must be in duplicate. An example of an "Entry for Home Use" is given below.

The duty must be paid as soon as the entry is handed to the collector, otherwise the entry will not be accepted.

If it is found on the landing of dutiable goods that their value is in excess of that declared by the merchant, the latter must pass a "Post Entry," unless such excess is under 1s. in value. This is just like the original entry, except that it is not so detailed. It bears a number corresponding to that on the original.

If, on the other hand, the importer has over-estimated the value, he can obtain a refund of the duty he has overpaid by obtaining from the Customs people an "Over-Entry Certificate," unless such sum be less than 1s.

BILL OF SIGHT.—Should the importer (or his shipping agent) be unable to make any declaration for Customs purposes on account of the documents not having reached him in time, a Bill of Sight is used; the Customs authorities ascertain the particulars of the goods in due course, and then the merchant must write on the Bill of Sight whether the goods are dutiable or not, or if they are for warehousing. This is called "perfecting" the Bill of Sight, and until this has been effected no goods will be delivered. If the bill is not perfected, the goods are taken to the Customs warehouse and there kept at the consignee's sole risk and expense until the necessary entry has been lodged to clear the goods. All charges incurred in connection with transporting the goods to the King's warehouse (as it is called) are also debited to the consignee, and must be paid before the goods will be handed over. Such merchandise may be sold one month after landing if it is not properly entered at the end of that period. If some of the goods are not dutiable and some are, two entries will be necessary; whilst if the importer only wishes to clear some of the goods and to warehouse the balance, three entries will be necessary (i.e. a Free Entry, a Duty Paid Entry, and a Warehousing Entry). The last named, made on the Bill of Sight, will be headed "In full of sight," whereas the others will be "In part sight."

Goods imported which are not immediately required are stored in warehouses approved by the Customs authorities, and a Warehousing Entry must be passed in duplicate.

ENTRY FOR HOME USE EX-SHIP.

Port of Importation, *Liverpool* Dock or Station, *Alexandra South*

Name and address of Merchant paying the Duty, *A Nibb & Co., Liverpool*

(If Post) Prime Entry No._____dated_____19____

Ship's Name.	Date of Report.	Master's Name.	Port or Place of Shipment of Goods.
"Bluebird"	9 3 1	*Charles Cumming*	*New York*

Marks and Numbers.	Place and Country of destination in United Kingdom for Unmanufactured Tobacco and Spirits only.	Number of Packages and Quantity in Words and Description of Goods in accordance with the Official Import List.	Name of Place whence Goods consigned.	Quantity in Figures.	[1] Value.	£	s.	d.
A. N. & Co. Liverpool 11000		*One thousand Bags refined Sugar O.S. Ex. 980*	*New York*	2,000 *cwts.*	£1,610	183	6	8
		Total amount of Duty payable on this entry .. .. £				183	6	8

I declare the above particulars to be true. *A. Nibb & Co.*
(*Signed*) *per L. C. Clarke,*
Importer or his Agent.

Date, *10th March*, 19__

Collector's No. and Date.

[1] (1) In the case of goods which are invoiced at a quoted price, the value to be stated in the Customs Entry should be the prime cost with the freight and insurance added ("c.i.f.") value.
(2) When the goods are consigned for sale, the value to be given should be the latest sale value of such goods.

JOURNALISM

Continued from page 419

LESSON IX

ON WRITING ARTICLES.—Equally in writing "leaders," "leaderettes," and special articles, one of the first essentials is a sense of form, of literary architecture. An article needs building into a definite shape as much as any three-act play. Good material is necessary for it, but without the exercise of architectural skill in its use it will no more make a good article than good bricks in unskilled hands will make a good house.

CONSTRUCTION.—Having got an idea or subject for an article, and even collected the necessary material, the first step is to begin building it into a shapely whole. Don't be content merely to evolve a good opening and to try to build on that. One result of such a policy will be to lay the foundation far too solidly, to over-elaborate the opening and then to meander feebly on in an effort to live up to it. A flimsy structure on heavy foundations is an absurdity. Get your design complete before you begin to write. It may seem a wooden method, but it is good discipline and a very practical plan to take a blank folio and set out all the facts that can be brought to mind and all the lines of thought suggested by a subject, including possibly useful avenues of investigation. Next, divide these points into natural groups, each group being the material for a separate paragraph or sequence of paragraphs. That will prevent the paralysing feeling that the matter is insufficient for the space to be filled, and will probably substitute for it the problem of getting so much into the allotted space. The length limit will, of course, affect the whole of the architectural details, for the cottage of 250 words may well do with only one room or paragraph, but the villa of 2,000 words must be planned more elaborately with appropriate divisions; the word "paragraph" in this connection being used less to signify a mechanical division of the words than a natural section of the subject-matter.

PARAGRAPHS.—These must be complete in themselves, but none must touch finality. Each should lead naturally up to the next, and should obviously end on an ascending note. Beware of mechanical exactitude as to their length, because a reasonable variation in this respect both pleases the eye, and makes the flow of argument or statement easier to follow.

CONSTITUENTS OF AN ARTICLE.—So much for the mechanical side of the business. Coming to the subject and its treatment it is well to realize that there are six main points for consideration, viz. (1) The subject, (2) the style of treatment, (3) the style of writing, (4) the facts to be quoted and used, (5) the form of construction, and (6) the title.

CHOICE OF SUBJECT.—If choice of subject lies with the writer he should not necessarily select that which he prefers to write about, but one which the public will want to read about, and the largest possible section of the public at that. Study the journals of the class for which the article is intended, and be guided by what are the popular subjects at the moment. Do not imitate, but at least set your sails to the prevailing wind.

TREATMENT OF THE SUBJECT.—The considerations ruling choice will also govern the treatment of the subject. Having chosen it, and knowing the publication for which he intends it, the writer will instinctively visualise the article as a whole. He sees it from a certain point of view, and in a certain vein; that vein will naturally control the selection of facts and the line of thought. Select the salient fact, and lead up to it, build round it, but never lose sight of it or be tempted to follow a side issue, no matter how interesting. Get a topical "peg," if possible, on which to hang the article—the daily papers will provide plenty. Begin with a striking phrase or thought, and do not leave the reader in doubt as to your subject. End strongly with every thread of your argument gathered neatly and, metaphorically speaking, Q.E.D. in capital letters, fixed boldly on the reader's mind. In fact, throughout the article an air of absolute conviction must be maintained; half-heartedness is fatal.

STYLE OF WRITING.—Here are a few hints on a large subject: (1) Do not imitate another writer's style, but express yourself in your own way under discipline; (2) do not consciously adopt a particular style; (3) cultivate brevity without jerkiness; (4) build smooth and simple sentences, avoiding parentheses and interpolations; (5) use simple language and clear thought; (6) punctuate with intelligence and moderation; (7) polish every word and sentence if time allows.

THE FACTS USED AND QUOTED.—These should be well chosen to illuminate the subject and prove points, and they should be strictly accurate. Never trust to a doubtful memory, but verify every statement industriously.

CONSTRUCTION AND TITLES.—The former has already been dealt with. Titles should be suggestive of the subject, sometimes embodying a comment, but never baldly descriptive. Avoid alliteration—it is a mere trick. Choose titles which are striking, but not extravagantly so

COMMERCIAL FRENCH

Continued from page 429

KEY TO EXERCISES IN PART 9 (p. 429).

1. We duly received your favour of the 11th ult.
2. We hasten to inform you that we will do everything in our power for you.
3. We are quite willing to appoint you our agent for (*lit.* in) your town.
4. You must urge (*or* press) the sale of our articles; no doubt you will succeed.
5. You can guarantee our racing machines according to the particulars (given) in our catalogue.
6. He hopes that you will soon send him your instructions with regard to (*or* concerning, respecting) the shipment.
7. I beg to inform you that I have taken my two sons into partnership.
8. The general meeting of the shareholders of this company was (*lit.* has been) held in London.
9. The president (has) expressed the regrets of the board of directors at not being able to propose any dividend.
10. The firm we have just established is intended for (*lit.* has for its object) all sorts of banking business.
11. I am sure that this banker will do what is necessary to serve your interests.
12. Our knowledge (*or* experience) of business will permit us to work (*or* carry on operations) on very advantageous terms.
13. We assure you that we shall endeavour to deserve your confidence.
14. You will buy the goods in question, if the market (*or* current) prices are advantageous.
15. This remittance will have to be paid to my cashier.
16. I sincerely thank you for the numerous marks of friendship you have given me.
17. Please (*lit.* we beg you to) inform us in your next letter of the amount of the duties.
18. Allow me to ask the same favours for the new firm.
19. The Congo region occupies the first place for the ivory trade.
20. I am sure your customers will be satisfied with the sewing machines.

1. *Qu'est-ce que nous devons* (or *que nous faut-il*) *faire dans cette affaire? Nous ne pouvons nous faire renvoyer les marchandises.*
2. *Dans ce cas-là il vous faudra accorder le rabais qu'ils demandent.*
3. *Il y a une différence de* 16 *quintaux entre les poids facturés et ceux de la Douane.*
4. *Les droits de quai seuls montent à cinquante-quatre livres sterling.*
5. *La plus grande partie de la cargaison de blé a été emmagasinée aux docks* (or *à l'entrepôt*).
6. *Nous ne faisons des affaires que contre remboursement; nous ne pouvons* (*pas*) *nous écarter de cette règle.*
7. *Sans doute nous avons fait de bonnes affaires; mais nous espérons améliorer tous les ans.*
8. *Vous devrez* (or *il vous faudra*) *recommencer* (or *reprendre*) *votre travail lundi; nous ne pouvons* (*pas*) *vous accorder un congé de plus longue durée.*
9. *A partir du premier janvier prochain les appointements des commis seront augmentés de cinq pour cent.*
10. *Je viens de chez le courtier; il a vendu ces actions-là à un prix assez élevé.*
11. *Les cent tonnes de farine à votre compte se trouvent maintenant en route de Sydney* (*ont été expédiées de Sydney*).
12. *La cargaison arrivera à un moment favorable; nous espérons que vous en profiterez.*
13. *Nous ne pouvons pas accepter des factures à moins qu'un compte rendu n'y soit inclus* (or *sans compte rendu sous le même pli*).
14. *Expédiez les marchandises par canal et caboteur; cela sera meilleur marché* (or *cela coûtera beaucoup moins cher*).
15. *Je viens de payer une prime de* 7½% (= *pour cent.*) *pour l'assurance de la cargaison* (or *du chargement*).
16. *Nous vous envoyons ci-joint* (or *ci-inclus*) *le reçu, en vous remerciant* (lit. *et nous vous remercions*) *beaucoup de votre attention.*
17. *Si vous vous décidez à payer comptant, nous vous accorderons un meilleur rabais.*
18. *Aussitôt que le chargement sera effectué, nous payerons comptant contre documents.*
19. *Envoyez le garçon à la poste, et faites assurer ce paquet* (or *colis, envoi*) *pour vingt livres sterling.*

LESSON X.

DEMONSTRATIVE PRONOUNS.—Demonstrative Pronouns agree in number and gender with the nouns for which they stand. They are—

celui	(masc. sing)	this OR that
celle	(fem. sing.)	this OR that
ceux	(masc. plural)	these OR those
celles	(fem. plural)	these OR those

In order to point the above more clearly, or to set up a contrast or comparison, the particles *ci* and *là* are added—

celui-ci	*celui-là*	(m.s.)	this one, that one
celle-ci	*celle-là*	(f.s.)	this one, that one
ceux-ci	*ceux-là*	(m.pl.)	these, those
celles-ci	*celles-là*	(f.pl.)	these, those

Ceci and *cela* are also used, but they have no plural. They point out things unexpressed, as—

Faites ceci, faites cela	Do this, do that
Lisez ceci, lisez cela	Read this, read that

Ce is used as a demonstrative pronoun, either immediately before or after the verb *être*, or with a verb which is followed by *être*, or with a relative pronoun.

C'est un bel échantillon
It is a fine sample.

Ce qui est dit est dit
{What is said, is said. / That which is said, is said.}

Ce que je dis est vrai
{What I say is true. / That which I say is true.}

Je sais ce dont il parle
I know {what he is talking about. / that of which he is talking.}

Ce is also used before *être*, to mean "he," "she," OR "they."

C'est un homme habile He is a clever man.
C'est une fille obéissante She is an obedient girl.
Ce sont mes livres They are my books.
Ce sont mes plumes They are my pens.

IRREGULAR VERBS.—

dire	to say, to tell	
redire	to say again, to tell again (like *dire*)	
médire	to slander	Conjugated like *dire*, except in the 2nd person plural, Pres. Indicative, and Imperative, which are— *vous médisez, vous contredisez, vous dédisez*, etc., etc., and *médisez, contredisez*, etc., etc.
contredire	to contradict	
dédire	to disown, unsay	
se dédire	to recant, retract	
interdire	to interdict, forbid	
prédire	to foretell, predict	
[1] *circoncire*	to circumcise	
confire	to preserve (fruits)	
[2] *suffire*	to be sufficient	

Pres. Infinitive — *dire* to say, to tell
Pres. Participle — *disant* saying, telling
Past Participle — *dit* said, told

([1] The Past Participle of *circoncire* is *circoncis*.)
([2] The Past Participle of *suffire* is *suffi*.)

Pres. Indicative — *je dis, tu dis, il dit, nous disons, vous dites, ils disent.*
Imperfect — *je disais*, etc.
Preterite — *je dis*, etc.
Future — *je dirai*, etc.
Conditional — *je dirais*, etc.
Pres. Subjunc. — *que je dise*, etc.
Imperf. Subjunc. — *que je disse*, etc.
Imperative — *dis, qu'il dise, disons, dîtes, qu'ils disent.*

faire	to do, to make	Conjugated like *faire*
contrefaire	to imitate, to mimic	
défaire	to undo	
se défaire	to get rid of	
parfaire	to perfect	
redéfaire	to undo again	
refaire	to do again	
se refaire	to recover	
satisfaire	to satisfy	
surfaire	to ask too much, overcharge	

Pres. Infinitive — *faire* to do, to make
Pres. Participle — *faisant* doing, making
Past Participle — *fait* done, made
Pres. Indicative — *je fais, tu fais, il fait, nous faisons, vous faites, ils font.*
Imperfect — *je faisais*, etc.
Preterite — *je fis*, etc.
Future — *je ferai*, etc.
Conditional — *je ferais*, etc.
Pres. Subjunc. — *que je fasse*, etc.
Imperf. Subjunc. — *que je fisse*, etc.
Imperative — *fais, qu'il fasse, faisons, faites, qu'ils fassent*

écrire	to write	Conjugated like *écrire*
circonscrire	to circumscribe	
décrire	to describe	
inscrire	to inscribe	
s'inscrire	to enter one's name	
prescrire	to prescribe	
proscrire	to proscribe, outlaw	
récrire	to write again	
souscrire	to subscribe	
transcrire	to transcribe	

Pres. Infinitive — *écrire* to write
Pres. Participle — *écrivant* writing
Past Participle — *écrit* written
Pres. Indicative — *j'écris, tu écris, il écrit, nous écrivons, vous écrivez, ils écrivent.*
Imperfect — *j'écrivais*, etc.
Preterite — *j'écrivis*, etc.
Future — *j'écrirai*, etc.
Conditional — *j'écrirais*, etc.
Pres. Subjunc. — *que j'écrive*, etc.
Imperf. Subjunc. — *que j'écrivisse*, etc.
Imperative — *écris, qu'il écrive, écrivons, écrivez, qu'ils écrivent.*

craindre	to fear, be afraid of	Conjugated like *craindre*
adjoindre	to adjoin	
astreindre	to subject, tie down	
s'astreindre	to confine one's self	
atteindre	to overtake, reach	
ceindre	to gird, encompass	
conjoindre	to conjoin	
contraindre	to compel, constrain	
déjoindre	to disjoin	
dépeindre	to depict, describe	
déteindre	to discolour	
disjoindre	to disjoin	
empreindre	to imprint	
enceindre	to enclose	

enfreindre	to infringe, transgress	Conjugated like *craindre*
enjoindre	to enjoin	
épreindre	to squeeze out	
éteindre	to extinguish, put out	
étreindre	to clasp, hug	
feindre	to feign	
geindre	to moan, whine	
joindre	to join	
oindre	to anoint	
peindre	to paint	
plaindre	to pity	
se plaindre	to complain	
ratteindre	to overtake again	
rejoindre	to rejoin	
repeindre	to paint anew	
restreindre	to confine, limit, restrain	
teindre	to dye, to colour	

Pres. Infinitive — *craindre* to fear, be afraid of
Pres. Participle — *craignant* being afraid of
Past Participle — *craint* been afraid of
Pres. Indicative — *je crains, tu crains, il craint, nous craignons, vous craignez, ils craignent.*
Imperfect — *je craignais*, etc.
Preterite — *je craignis*, etc.
Future — *je craindrai*, etc.
Conditional — *je craindrais*, etc.
Pres. Subjunc. — *que je craigne*, etc.
Imperf. Subjunc. — *que je craignisse*, etc.
Imperative — *crains, qu'il craigne, craignons, craignez, qu'ils craignent.*

paraître	to appear
apparaître	to appear unexpectedly
comparaître	to appear (before a tribunal)
connaître	to know (by sight) to be acquainted with
disparaître	to disappear
méconnaître	to disown, disregard, not to know
se méconnaître	to forget oneself
reconnaître	to recognise, acknowledge
reparaître	to reappear
accroître	to increase
croître	to grow
décroître	to decrease
recroître	to grow again
surcroître	to grow out

Conjugated like *paraître*

Pres. Infinitive — *paraître* to appear
Pres. Participle — *paraissant* appearing
Past Participle — *paru* appeared

Note that all verbs ending in *aître* and *oître* take circumflex accent over the *i* preceding the *t* all through the conjugation.

Pres. Indicative — *je parais, tu parais, il paraît, nous paraissons, vous paraissez, ils paraissent.*
Imperfect — *je paraissais*, etc.
Preterite — *je parus*, etc.
Future — *je paraîtrai*, etc.
Conditional — *je paraîtrais*, etc.
Pres. Subjunc. — *que je paraisse*, etc.
Imperf. Subjunc. — *que je parusse*, etc.
Imperative — *parais, qu'il paraisse, paraissons, paraissez, qu'ils paraissent.*

Vocabulary.

le tout	the whole
prêt	ready
au plus tôt	at the soonest
afin de	in order
en bon état	in good condition
causer	to talk, to chat
le bordereau	the slip, memorandum
sous peu	shortly
plus au long	at greater length
jeter un coup d'œil	to glance
les chiffres	the figures
modérés	moderate, reasonable
invendable	unsaleable
convenir à, plaire à	to suit
une région minière	a mining district
l'entreprise	the undertaking
profitable	profitable
la faillite	the failure
imprévu	unforeseen
le déchargement	the landing
illégal	illegal

Traduisez en Anglais.

1. *Le tout sera prêt au plus tôt afin de ne point vous faire manquer la vente.*
2. *Nous nous couvrirons, si vous le jugez à propos en une traite à trente jours.*
3. *Je serai heureux d'apprendre que les marchandises sont arrivées en bon état.*
4. *Nous en causerons plus tard mais vous trouverez tous les renseignements sur le bordereau ci-contre.*
5. *Sous peu nous vous récrirons sur ce sujet plus au long.*
6. *Si vous jetez un coup d'œil sur le prix courant, vous verrez que nos chiffres sont modérés.*

Translate into French.

1. He is one of our best customers; he sends good orders and pays prompt cash.
2. This telegram is not very clear; we must have several of the words repeated.
3. The goods you offer are unsaleable in our market; they may suit a mining district.
4. We can assure you that the undertaking will be very profitable if you act immediately.
5. The failure of this house was unforeseen; we certainly did not think it possible.

COMMERCIAL GERMAN

Continued from page 432

Key to Exercise in Part 9 (p. 432).

The stranger will have had (*lit.* made) a long journey. Before the war the teacher had had (a great) many pupils. If I had known the sick man, I should have spoken to him. If I had known that, I should have given the poor old woman something. The learned man says that we shall have (*lit.* get) a lot of rain. The strangers will have had no letters. The packers had given themselves a great deal of trouble.

LESSON X.

THE SECOND AUXILIARY VERB.

sein [*bin, war, gewesen*] to be.

Participles.

Present: *seiend*, being. Past: *gewesen*, been.

[This verb forms all its compound tenses with "to be"; not, as in English, with "to have": therefore, "I have been" must be translated by *Ich bin gewesen* [I am been], etc.]

Indicative Mood.			Subjunctive Mood.		
PRESENT.					
ich bin	I am		*ich*	I	am
er	he		*er*	he	
sie *ist*	she	is	*sie* *sei*	she	be or is
es	it		*es*	it	
wir	we		*wir*	we	
Sie *sind*	you	are	*Sie* *seien*	you	be or are
sie	they		*sie*	they	
IMPERFECT.					
ich	I		*ich*	I	
er	he		*er*	he	
sie *war*	she	was	*sie* *wäre*	she	were
es	it		*es*	it	
wir	we		*wir*	we	
Sie *waren*	you	were	*Sie* *wären*	you	were
sie	they		*sie*	they	
PERFECT.					
ich bin . . . gewesen	I have been		*ich*	I	
er	he		*er*	he	
sie *ist . . . gewesen*	she	has been	*sie* *sei . . . gewesen*	she	have been
es	it		*es*	it	
wir	we		*wir*	we	
Sie *sind . . gewesen*	you	have been	*Sie* *seien . . gewesen*	you	have been
sie	they		*sie*	they	
PLUPERFECT.					
ich	I		*ich*	I	
er	he		*er*	he	
sie *war . . . gewesen*	she	had been	*sie* *wäre . . . gewesen*	she	had been
es	it		*es*	it	
wir	we		*wir*	we	
Sie *waren . . gewesen*	you	had been	*Sie* *wären . . gewesen*	you	had been
sie	they		*sie*	they	
FUTURE.					
ich werde . . . sein	I shall be		*ich*		I shall be
er	he		*er*		he
sie *wird . . . sein*	she	will be	*sie* *werde . . . sein*		she will be
es	it		*es*		it
wir	we shall be		*wir*		we shall be
Sie *werden . . sein*	you	will be	*Sie* *werden . . sein*		you will be
sie	they		*sie*		they

FUTURE PERFECT.

ich werde	. . . *gewesen sein*	I shall have been	*ich*	I shall have been, etc.	
er / *sie* / *es*	*wird* . . . *gewesen sein*	he / she / it will have been	*er* / *sie* / *es*	*werde* . . . *gewesen sein*	
wir / *Sie* / *sie*	*werden* . . . *gewesen sein*	we shall have been / you / they will have been	*wir* / *Sie* / *sie*	*werden* . . . *gewesen sein*	

PRESENT CONDITIONAL.

ich / *er* / *sie* / *es*	*würde* . . . *sein* OR	*ich* / *er* / *sie* / *es*	*wäre*	I should be / he / she / it	would be
wir / *Sie* / *sie*	*würden* . . . *sein* OR	*wir* / *Sie* / *sie*	*wären*	we should be / you / they	would be

PAST CONDITIONAL.

ich / *er* / *sie* / *es*	*würde* . . . *gewesen sein* OR	*ich* / *er* / *sie* / *es*	*wäre* . . . *gewesen*	I should have been / he / she / it	would have been
wir / *Sie* / *sie*	*würden* . . . *gewesen sein* OR	*wir* / *Sie* / *sie*	*wären* . . . *gewesen*	we should have been / you / they	would have been

IMPERATIVE MOOD.

er / *sie* / *es* *soll sein !*	let him / her / it be !
seien wir ! / *lasst uns sein !* / *wir wollen sein !*	let us be !
seien Sie !	be !
sie sollen sein !	let them be !

GENERAL RULE.

1. The Present Subjunctive is mostly used in German when the person who is reporting wishes to express clearly that he does not know whether the statement is true or not.

2. The Present Subjunctive must be used if the person wishes to indicate that he does not agree with the statement.

3. The Indicative is used to indicate that the speaker agrees with the reported statement.

1. *Er sagt, dass die Ware farbenfest sei*
   He says that the goods are colour fast.
   Er sagt, dass seine Ware billiger sei
   He says that his goods were cheaper.
   Er sagt, dass er sehr reich sei
   He says that he is rich.

In the preceding sentences the Subjunctive is used to indicate that it may perhaps be so, but that it is only the statement of another which is repeated.

2. *Ich bin nicht krank* I am not ill.
   Er sagt, dass ich krank sei
   He says that I am ill.
   Sie ist nicht fleissig She is not industrious.
   Sie sagt, dass sie fleissig sei
   She says that she is industrious.
   Er hat kein Geld, aber er sagt, dass er Geld habe
   He has no money, but he says that he has got money.

In these sentences the Subjunctive is used in order to express clearly that the reporter does not agree with the statement.

3. *Er ist sehr reich* He is very rich.
   Er sagt jedem, dass er sehr reich ist
   He tells everyone that he is very rich.
   Sie hat sehr viel gearbeitet
   She has worked very much.
   Sie sagt, dass sie viel gearbeitet hat
   She says that she has worked much.

The Indicative has been used in order to indicate that the statements made are correct.

Learn carefully the following expressions which are conjugated with " to have " in German—

ich habe Recht	I am right
ich habe Unrecht	I am wrong
ich habe Hunger / *ich bin hungrig*	I am hungry
ich habe Durst / *ich bin durstig*	I am thirsty
fleissig	industrious
vorsichtig	careful
fein	fine
der Amerikaner	the American

COMMERCIAL SPANISH

Continued from page 435

KEY TO EXERCISE IN PART 9 (p. 435).

1. He knows very well what he is doing. 2. I have posted the letter just as it was. 3. As regards money, remit me some by return of post. 4. I do not like this article at all; it is too light. 5. Why did you not register the letters, which have not reached our hands? 6. You charge us one price for the stripes, and another for the checks. 7. He has been in this town for some time. 8 What does it matter to me what he says? 9. When did you make the remittance in question? 10. He requested me to ask you this question. 11. When I knew that my customer had arrived, I went at once to meet him. 12. You did not want them to know such a thing. 13. In fact there were no cattle at all in the market. 14. You were right in shipping the fur by this vessel. 15. The soap has been shipped by a sailing vessel. 16. I want you to make me an allowance corresponding to this loss. 17. The manufacturer has agreed to allow us ½d. per yard. 18. Ask the manufacturer to suspend all shipments until further notice. 19 Retail sales have been on a very small scale. 20. He asked me if I knew your address. 21. The information we have received about this house is so unfavourable that we do not accept their order. 22. In the workshops work has been completely suspended. 23. To-day wholesale business is not so important as last week.

1. *Les hicimos una remesa por el buque de vela, en tanto que nuestro concurrente hizo un embarque por el vapor.* 2. *Todos los parroquianos estuvieron temprano en la plaza.* 3. *Tiene Vd. mucha razón, pero pronto sabré si ha pagado la cuenta.* 4. *Hágame una remesa tan luego como pueda; estoy escaso de fondos.* 5. *Sólo supe anoche que el vapor había fondeado.* 6. *Espero que Vd. me hará una bonificación adecuada.* 7. *Le enviamos adjunto un estado de cuenta, para que Vd. vea lo que le hemos cobrado.* 8. *Le haré mañana una remesa de fondos.* 9. *¿ Cuál de sus pieles es la más cara ?* 10. *Deseamos que esta caja sea forrada de hojalata.* 11. *Le suplicamos nos dé todos los informes que pueda en cuanto á esta casa.* 12. *Dígale que no tiene razón; no nos ha pagado de ningún modo.* 13. *El cartero nos entregó varias cartas certificadas, además de algunas otras.* 14. *Estamos ocupados en los negocios al por mayor, y por eso sólo podemos venderlos por gruesas.* 15. *No sabía cuál era la calidad de su amigo; ¿ sabe Vd. cuál es la suya (de él) ?* 16. *Hoy día todo el mundo desea comprar barato, pero la tendencia de los precios es la de subir.* 17. *Se fué anoche, pero es probable que vuelva mañana.* 18. *Le estamos muy agradecidos por su bondad en este asunto.* 19. *Todos los obreros se han declarado en huelga.* 20. *Mándeme algunas piezas buenas, si las hay.* 21. *Tomaré la piel tal cual está.* 22. *Él me hizo una bonificación correspondiente, lo que me agradó muchísimo.* 23. *Se los enviamos hace un año.*

LESSON X.

PRONOUNS.—Use of "SE." This pronoun is of frequent use in Spanish, and has various meanings. As reflexive, it stands for "himself," "herself," "itself," "yourself," "themselves"; and as an objective pronoun, it stands for "to him," "to her," "to you," "to them," when used with another pronoun in the Accusative.

"Se" as subject. Although Spanish grammarians aver that it is not used really as subject, to all intents and purposes it would appear that SE is used as subject, with the meaning of the impersonal "one" (people, they), or as the French "on," thus—

se dice, one says, they say, it is said; etc.

This "SE" is often used in Spanish to translate the English Passive Voice, thus—

a letter was received, *se recibió una carta.*

NOTE. The Spaniards use the Active much more than the Passive Voice, so that the student must frequently change from the one to the other by the use of "SE."

When the subject is plural, then the verb used with "SE" must be in the plural, as—

Hats are sold here.

Change this to, Here hats sell themselves;

i.e. *Aquí se venden sombreros.*

Examples of the use of "SE"—

The goods were shipped by this steamer.

Los géneros se embarcaron (shipped themselves) *por este vapor.*

A new design was made.

Se hizo un nuevo dibujo.

When "SE" is used with another pronoun in the Dative or Accusative, "SE" goes first, as—

One tells me (i.e. I am told), *se me dice.*

A great rise is expected, *se espera una gran alza.*

He is expected to arrive to-morrow,

se espera que llegará mañana.

"Anyone" is translated by *cualquiera*, and takes the Subjunctive when followed by "who," as—

cualquiera que diga eso,

whoever says that, anyone who says that.

The negative forms *nadie, ninguno, nada*, etc., take the adverb "NO" when they do not commence the sentence, as—

No tengo nada, I have nothing.

Nada tengo, I have nothing.

No tiene ningún amigo, he has no friend.

Nadie puede decirlo, nobody can tell (it).

No he visto á nadie, I have seen nobody.

ADVERBS.—Adverbs are invariable. Many adverbs are formed from adjectives by adding *mente*, as—

hábil, clever — *hábilmente*, cleverly

Those adjectives which terminate in *o*, change the "o" into *a* before adding on *mente*, as—

docto, learned — *doctamente*, learnedly

If several adverbs come together, only the last one takes the *mente*, as—

He writes briefly and skilfully.
Él escribe breve y diestramente.

"Cada," each, every—
cada uno, each one.
cada dos semanas, every two weeks.

"Muy." Besides the meaning of "very," *muy* also has that of "much," when it comes before a Past Participle, as: *muy amado*, much loved. Thus it is that the beginning of letters (i.e. Dear Sir, OR Dear Sirs) is rendered, in Spanish, by *muy señor mío, muy señor nuestro*, or the plural, *muy señores míos, muy señores nuestros;* according to the writer being in the singular or the plural.

"Tanto." *Tanto* means usually "so much" or "as much." In the plural, *tantos* means "as many" or "so many."

Examples: as much money as you, *tanto dinero como Vd.;* as many invoices as bills of lading, *tantas facturas como conocimientos.*

Tanto, in this way, may also translate "both," as—*tanto Vd. como su hermano*, both you and your brother;
as soon as, *tan pronto como.*

"Both." There are various ways of translating "both." When there are two separate subjects, as in the above instance, *tanto . . . como . . .* is the most usual form.

When used adjectively, *ambos* is often used, as—
ambos sus amigos, both his friends;
or simply: *los dos* OR *las dos*, as—
sus dos amigos, both his friends;
ambos libros OR *los dos libros*, both books.

"Recién." This is a short form of *recientemente*, and is used before a past participle or adjective, as—
el recién llegado (OR *venido*), the newly arrived OR new-comer.

Position of Adverbs. The Adverb, in Spanish, is usually placed after the verb, as—

He always comes at 8 o'clock, *viene siempre á las ocho.*

VERBS.—Irregular Verbs.

"PONER," to put, to place.

Pres. Indic.—*Pongo*, I put (only irregularity).
Past Def. —*Puse, pusiste, puso, pusimos, pusisteis, pusieron.*
Fut. —*Pondré, pondrás, pondrá*, etc.
Cond. —*Pondría*, etc.
Impera. —*Pon, ponga, pongamos, poned, pongan.*
Past Part. —*Puesto.*

"VALER," to be worth.

Pres. Indic. *Valgo*, I am worth (only irregularity)
Fut. — *Valdré, valdrás, valdrá*, etc.
Cond. — *Valdría*, etc.
Impera. — *Val, valga; valgamos, valed, valgan.*

"VER," to see.

Pres. Indic. *Veo, ves, ve, vemos, veis, ven.*
Imperf. — *Veía, veías, veía*, etc.
Past Def. — *Ví, viste, vió, vimos, visteis, vieron.*
Impera. — *Ve, vea; veamos, ved, vean.*
Past Part.— *Visto.*
Pres. Part.— *Viendo.*

The tenses not given of these verbs are Regular, and will be formed from the Regular Tables in Lesson V.

It will be remembered that the Present Subjunctive is formed from the 1st Person Singular of the Present Indicative, thus: *Pongo, ponga; valgo, valga; veo, vea;* etc. This rule applies to all verbs where the 1st Person of the Present Indicative terminates in *o*. (See Lesson VII.)

The rule for the formation of the Imperfect, Future, and Conditional of the Subjunctive is given in Lesson VIII.

SUBJUNCTIVE MOOD.—The Subjunctive Mood is also used after the following Impersonal expressions—

es probable que, it is probably (OR likely) that;
es posible que, it is possible that;
es necesario que, it is necessary that;
es preciso (OR *menester*) *que*, it is necessary that
conviene que, it is convenient (OR well) that;
es fácil que, it is easy (OR possible) that;
más vale que, it is better that;
es mejor que, it is better that;
es extraño que, it is strange that.

The Subjunctive Mood is used after the following—

tal vez, *puede ser*, *acaso* and *quizás* } perhaps

Observe also: *Puede que no* (OR *es posible que no*) *reciba el dinero*, he may not receive the money.

The Subjunctive Mood is also used after *todo, primero, único, mejor*, when speaking of something vague, or of which the existence is not actually known to the speaker at the time, as—

I shall take the first which comes, *tomaré el primero que venga.*

Give me all you have, *déme Vd. todo lo que tenga.*

Also after the Definite Article, when speaking of something not known to "exist," or after a superlative, as—

Select the one which you like best, *escoja Vd. el que le guste más.*

Send us the best you have, *envíenos el mejor que tenga.*

NOTE. By "exist," what is really meant is that the particular one is not known at the time to the speaker.

SEQUENCE OF TENSES.

After the Present Indicative, Future, Imperative	Use the Present Subjunctive
After the Imperfect or Past Definite, or Conditional	Use the Imperfect or Conditional Subjunctive (optionally)

NOTE. After the Past Indefinite, as "we have wished," etc., both the Present Subjunctive and the Imperfect Subjunctive may be used, according to the time of the second verb (i.e. Present Subjunctive if it has still to happen or is happening at present, and Imperfect Subjunctive if the action is past).

VOCABULARY.

as usual, *como de costumbre*
the auction, *la subasta*
the cord, *la cuerda*
the cold, *el frío*
the beam, *la viga*
consols, *consolidados*
the bolt, *el perno*
Manilla hemp, *el abacá*
outstanding, *pendiente*
on the way, *en camino, en viaje*
still (conj.), *sin embargo*
the partner, *el socio*
the tarpaulin, *el encerado*
to get hold of, *echar mano de, conseguir*
to forward, *expedir, despachar*
to enjoy, *disfrutar, gozar de*
to be without, *carecer (de)*
and so on, *y así por el estilo*
advisable, *prudente, conveniente*
the engagement, *la cita, el compromiso*
assets and liabilities, *el activo y el pasivo*
the sign, *la señal, el indicio*
the cashier, *el cajero*
the hoop, *el aro, el fleje*
the fall, *la baja*
expensive, *caro, costoso*
the engine, *la máquina*
the timber, *la madera de construcción*
on trial, *como* (OR *por vía de*) *ensayo*
owing to, *debido á, con motivo de*
on account, *á (buena) cuenta*
the transaction, *la transacción, la operación*
to a certain extent, *hasta cierto punto*
the stain (spot), *la mancha*
the witness, *el testigo*
subject to, *sujeto á*
up to the present, *hasta ahora*
the trouble, *la pena*
the meeting, *la reunión*
to arrange with, *entenderse con*
to be aware, *saber*
to collect, *cobrar*
to think (right, etc.), *creer, juzgar, estimar*
to go out, *salir*
to take away, *quitar*
to mislay, *extraviar*
to meet (fulfil), *cumplir con*
to come in, *entrar*
to be afraid, *temer*
to be good enough to, *tener á bien*
to object to, *tener inconveniente (en que)*
to occur again, *volver á suceder*

EXERCISE 19.

1. *Hasta ahora no se sabe nada de su paradero* (whereabouts). 2. *Tengan Vds á bien entenderse con el estampador.* 3. *No tenemos inconveniente en que Vd. haga lo que le da la gana* (what you like). 4. *El aumento que se pide es de poca monta* (importance). 5. *Deseamos que ellos no tengan motivo de queja* (reason for complaint). 6. *No vale la pena.* 7. *Por causa del mal tiempo no pudo celebrarse* (to take place) *la reunión.* 8. *Procuraré remesarles* (remit you) *cuanto antes el saldo vencido* (due). 9. *Es probable ue no se sepa todavía el activo y el pasivo de la nueva compañía.* 10. *Más vale llegar tarde que nunca.* 11. *Esperamos echar mano de una buena partida en la subasta.* 12. *Tengo una cita con él, y espero poder cobrar la deuda que tiene conmigo.* 13. *Es fácil que el testigo no se presente otra vez.* 14. *El recién llegado acaba de entrar.* 15. *¿ Vió Vd. la mancha en la tela ?* 16. *Se dice que es debida al encerado.* 17. *Creemos que esto no volverá á suceder.* 18. *¿ Sabe Vd. si el empacador* (packer) *ha puesto aros al fardo ?* 19. *Tanto él como su cliente gozan de estas ventajas* (advantages). 20. *Ponme la cuerda á esta caja.*

EXERCISE 20.

1. These goods are made in Germany (*Alemania*). 2. What is this article worth ? 3. We could not allow you anything. 4. The timber is used for box-making purposes (*para la construcción de cajas*). 5. They will do nothing to meet their engagements. 6. I did this so that he might have no cause to complain (*motivo de quejarse*). 7. I did not send anything to them, except (*menos*) the beams and bolts. 8. Estimates (*presupuestos*) will be forwarded promptly on application (*á quien los pida*). 9. They are of no use whatever. 10. Be very careful (*cuiden Vds*) that they come up (*salgan*) well. 11. They will not make any allowance on the Manilla hemp. 12. I am told that there were signs that the case had been tampered with (*fracturada*). 13. It is well that you should invoice the goods, subject to discount, as usual. 14. Do you think it advisable to collect the outstanding accounts ? 15. The document has been mislaid, and, as you are aware, it is not worth while (*la pena de*) obtaining another. 16. To a certain extent, what he asks is quite reasonable (*razonable*). 17. Do you object to my going out (use Subjunctive) ? 18. Will you be good enough to get hold of some cheap lines (*partidas baratas*) at the auction ? 19. It would be better if (trans. *que*) you were to give him (Subj. of *dar*) what he asks for. 20. I shall place all that I can, so that you may buy at cheap prices.

ELEMENTARY ITALIAN

Continued from page 436

KEY TO EXERCISE IN PART 9 (p. 436).

1. *Il negoziante comprò ieri delle centinaia d'articoli.* 2. *Venderono* (or *han venduto*) *le merci a doppio prezzo la settimana scorsa.* 3. *Ho letto la lettera or 'ora.* 4. *È stato stanco tutta la mattina.* 5. *Il commesso partì per la Francia sabato scorso.* 6. *Ha letto il secondo volume di questo libro?* 7. *Sono adesso le undici e mezzo.* 8. *Tutt' e due son stati quà.* 9. *Stanno in questa casa da molti anni.* 10. *Ho due paia di scarpe e tre paia di guanti.* 11. *La primavera è la prima stagione dell' anno.* 12. *Stavano leggendo* (or *leggevano*) *il secondo capitolo del terzo volume otto giorni fa.* 13. *Il mio stipendio era più piccolo del suo.* 14. *Questi avventori comprarono molte merci* (or *mercanzie*) *l'inverno scorso.*

LESSON X.

POSSESSIVE ADJECTIVES (*Gli aggettivi possessivi*).—These adjectives are accompanied by the definite article, except when used with SINGULAR nouns referring to near relations, e.g. *mio padre*, my father, but even in this case the article is introduced if the noun is preceded by an adjective : *la mia buona madre*, my good mother. The article is also dropped before titles, e.g. *sua Maestà*, His Majesty.

The following is a complete list of these adjectives—

MAS. SING.	MAS. PL.	FEM. SING.	FEM. PL.	
il mio	*i miei*	*la mia*	*le mie*	my
il tuo	*i tuoi*	*la tua*	*le tue*	thy
il suo	*i suoi*	*la sua*	*le sue*	his, her, its, your
il nostro	*i nostri*	*la nostra*	*le nostre*	our
il vostro	*i vostri*	*la vostra*	*le vostre*	your
il loro	*i loro*	*la loro*	*le loro*	their

It will be seen that the feminine is regular throughout, except in the third person plural *loro*, which remains invariable in all cases. The masculine plural is irregular in four out of the six forms. These adjectives agree in gender and number with the following noun, that is, with the thing possessed and NOT with the possessor. Thus, *suo padre* may be his father, her father, *or* your father, according to the context. In the same way, *la sua macchina da scrivere* may mean his, her, *or* your typewriter (typewriting machine).

In order to avoid ambiguity, *di lui* is sometimes used for "his," and *di lei* for "her," e.g. *ho riveduto il padrone e la padrona; l'aspetto di lei non m'è parso molto fiorente*, I saw the principal and his wife again ; her appearance did not seem to me very flourishing. *L'avvocato fece capire ad Antonio che gli affari di lui andavano di male in peggio*, The barrister gave Antonio to understand that his affairs were going from bad to worse. Sometimes *di lui* and *di lei* precede the nouns, e.g. *egli vide il suo commesso ed i di lui figli*, He saw his clerk and the latter's children.

The Possessive Pronouns are identical with the adjectives, so that the forms given above may also be rendered "mine, thine, his, hers, its, ours, yours, theirs," e.g. *ecco il mio bagaglio ed il loro*, Here is my luggage and theirs.

When used without a noun these forms refer in the singular to possessions in general and in the plural to persons belonging to one, e.g. family, relatives, etc. Thus, *do il mio*, I give that which is mine ; *devo pensare ai miei*, I have to think of my own people ; *aiuta i tuoi*, help your own people.

The indefinite instead of the definite article is used in cases like a "friend of mine, of his, of ours, of theirs," which would be rendered *un mio amico, un suo amico, un nostro amico, un loro amico*, respectively.

Present Indicative of "Fare," to make, do.

(*io*) *faccio*, I make	(*noi*) *facciamo*
(*tu*) *fai*	(*voi*) *fate*
(*egli*) *fa*	(*eglino*) *fanno*

N.B.—It will be seen that "fare" is an irregular verb.

EXERCISE.

1. *Prima il mio stipendio era di cento lire il mese ; poi divenne* (became) *doppio* (*cioè* 200 *lire*) *; ora è finalmente triplo* (*cioè* 300 *lire*). 2. *Ora nostro fratello guadagna centocinquanta lire il mese, perchè ha un triplice stipendio ; cento lire, per il* (or *pel*) *suo ufficio di cassiere ; trenta, perchè tiene anche la corrispondenza francese ; venti, perchè insegna a fare i conti al figliuolo del principale.* 3. *Otto giorni fa c'era un centinaio di persone nella loro sala.* 4. *Il suo padrone arrivò ieri alle dieci e mezzo.* 5. *Fui molto occupato e non potei* (*poter*, to be able) *recarmi* (to go, lit., to betake oneself) *da lei, venerdì scorso.* 6. *I mici amici furono fuori di Londra quel giorno.* 7. *Noi stemmo nella loro camera tutta la mattina.* 8. *Il costo della vita giornaliera si è raddoppiato.* 9. *Vendemmo le nostre case due anni fa.* 10. *Sabato scorso il bottegaio servì i suoi migliori avventori.* 11. *Nel salone* (hall) *dell' associazione della Stampa* (Press) *si riunirono* (*riunire*, to assemble) *tutti i membri del loro comitato.* 12. *Prendemmo i loro libri e le loro penne.* 13. *Faccio il mio dovere* (duty) *e il mio impiegato fa il suo.* 14. *Ha speso il suo danaro ed anche il loro.* 15. *Tutti i miei stanno bene di salute.* 16. *Siamo padroni del nostro.* 17. *Ho ricevuto i suoi gentili auguri* (wishes). 18. *Noi tutti stiamo discretamente* (fairly well).

RAILWAY LAW AND PRACTICE

Continued from page 437

LESSON X

MISCELLANEOUS MATTERS.—A person desiring to be successful in railway administration requires a wide knowledge of the history and law relating to the formation, construction, and running of railways, quite apart from the law as it relates to railways as carriers of traffic. By virtue of the position they occupy as supplying public utilities, railway companies are granted wider powers than are usually conferred upon ordinary business undertakings. Apart from statutory power such public undertakings as gas, water, electric light, tramway and railway companies would be deemed public nuisances. They obtain their authority to carry on their undertaking from a special Act of Parliament, into which in the case of a railway company, provisions of the Land Clauses Consolidation Act, 1845, and the Railway Clauses Consolidation Act, 1845, are incorporated. The power to acquire land by compulsory purchase is conferred by the former of these two Acts. Where land is required for the purpose of the undertaking negotiations are generally opened privately; if these fail, certain formalities must be observed, and notice to treat is served, and, if necessary, the price is fixed by arbitration or valuation.

MINERALS.—Under compulsory purchase minerals under the land sold are not included in the sale unless they are expressly conveyed. The vendor may, therefore, work them, provided he gives notice to the railway company, when, if the workings are likely to interfere with the company's property, he may be prevented subject to compensation.

GENERAL DUTIES.—Railway companies are bound to protect adjoining landowners from any liability to loss due to the straying of cattle; they must erect and maintain sufficient fencing to prevent cattle belonging to adjoining owners from wandering on the railway. Similarly, the highway must be protected so that animals driven along the highway may not be able to stray on the line. It has been pointed out that the railway undertaking as a whole would be a nuisance if not under statutory authority. Provided, however, the company exercises every care and uses modern plant, objections cannot be raised to damage caused by vibration, nor damage by sparks from properly equipped engines. The Railway Fires Act, 1905, does, however, fix the company with liability for damage done to agricultural land or crops by fire caused by sparks or cinders, provided the amount of loss does not exceed £100.

ACCOUNTS AND RETURNS.—Among the many returns and official documents to be drawn up by a railway company each year are those required by the Railway Companies (Accounts and Returns) Act, 1911. This Act requires the railway company to prepare and forward to the Board of Trade a statement of accounts and returns as shown in the First Schedule of the Act. The returns are divided into two parts: Part I showing the financial accounts of the company, and Part II statistics. The schedule gives thirty-four forms in all. It was formerly necessary to prepare accounts half-yearly, but now, since the Act of 1911, it is sufficient if meetings are held yearly, and accounts prepared for the same period.

Other returns are required under various Acts of Parliament; thus, under the Regulation of Railways Act, 1871, and under the Railway Clauses Act, 1845, certain statistics may be called for notwithstanding the fact that what was formerly required under these Acts is in general included under the Act of 1911.

CARRIAGE BY SEA.—Railway companies, under certain circumstances, come within the law relating to carriers by sea. This is generally the case when the traffic they handle is partly road-borne and partly sea-borne. In these cases they are governed by their special Act of Parliament together with the Railway Clauses Act, 1863, and certain sections of the Regulation of Railways Acts, 1868 and 1873, and the Railway and Canal Traffic Act, 1888. The Merchant Shipping Act, 1894, generally applies, and goods are usually carried under bill of lading (*see* SHIPPING LAW). The Regulation of Railways Act provides, however, that where a railway accepts through booking by rail and sea, any condition relieving the company from liability or loss on the sea portion of the journey must be legibly printed on the freight note, and a notice conspicuously displayed in the company's office. When this is done the condition in the freight note will be operative as if contained in a bill of lading.

MINISTRY OF TRANSPORT.—By the Ministry of Transport Act, 1919, almost all the powers of the Board of Trade and other Government departments concerned in the running and upkeep of railways, and in their by-laws and regulations, were transferred to the newly-created Ministry of Transport. The appointment of members and the procedure of the Railway and Canal Commission were matters expressly reserved, and power was given to the Crown to transfer authority in these particulars to a Secretary of State. Other powers can be reserved from the Ministry by Order in Council. The Ministry has all powers of the Board of Trade respecting accounts, and special provision is made for the delivery statistics and accounts. The Rates Advisory Committee has already been mentioned.

PRIVATE SECRETARIAL WORK

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III.

Very few secretarial positions are to be found where shorthand is not used, though to what extent it is needed will, of course, depend upon the employer's habits or upon the nature of his profession. In some cases weeks, or perhaps months, may be spent in doing ordinary correspondence, involving nothing more difficult than letters of a stereotyped alikeness. This class of note-taking tends to become mechanical, with the result that the secretarial novice is often unprepared to cope with any sudden access of work that at intervals almost invariably occurs, if the position is worth holding; and when it is realised that, under pressure of time, speed in dictation is frequently increased 20 to 30 words a minute, it follows that the shorthand writer who has failed to keep that much, or more, ahead of everyday requirements is likely now and again to be in a tight corner. Shorthand at the rate of 80 to 120 words a minute, however, is usually satisfactory, provided always that it can be transcribed easily and accurately, for it is the transcript that counts every time, speed of itself being the least important element in shorthand writing. Nor is it an Irishism to say that the secretary most valuable to an employer is the one who writes shorthand so well that he seldom has occasion to use it. This high standard of proficiency is not for the beginner; it is the outcome of an intelligent mastery not only of shorthand but of every detail of the employer's business, combined with practical secretarial experience. Therefore, because shorthand is so significant an asset to the secretarial worker, as much for its own sake as for the sake of the many other useful subjects which are incorporated in its acquisition, it should be studied seriously. Self-taught students often fail to realise the value of a thorough understanding of the principles of Pitman's Shorthand in their haste to gain speed, they hurry through the elementary exercises and do not get the requisite drilling in the rules which would be insisted upon by a properly qualified teacher, who knows that a shorthand speed can only be permanent when it is based upon a perfect assimilation of the rules of the system. Yet to the well-read (the term is here used to denote those who read intelligently), this is now quite an easy task, and the study of Pitman's Shorthand through the new text-books is a delight even to a child. The present writer can speak unhesitatingly of the value of *The Rapid Course*, for example, when used in special emergency courses of clerical training for women during the Great War. The majority of the women were of the class who, heretofore, had not thought it either worth while, or necessary, to spare the time required for the mastery of shorthand or similar subjects, or in any other way to keep alive the habit of learning. Yet every woman who accepted the challenge to train was in a few months holding a responsible clerical position. As to its simplicity, it may be mentioned that a school girl, after three months' study included with the usual day school work, passed, with distinction, the elementary shorthand examination of the N.S.A. She was then a few weeks over twelve years of age, and in the examination room it was a moot point whether she should not sit for a speed examination at 60 words a minute, which she was then able to write easily, transcribing her notes without hesitation. In this case an inherent love of reading had led to an intimate acquaintance with good books so that the usual obstacle with one so young of correctly transcribing difficult words was entirely removed. It is, however, only the dull-pated or indolent who could ever possibly connect drudgery with Pitman's Shorthand, for it has everything in it to make it one of the most fascinating of studies. This digression will not be out of place if it serves the purpose intended and emphasises the importance of having shorthand veritably at the finger tips before any attempt is made to seek a position in the secretarial circle.

At this point a few simple hints may be given with regard to practical work.

Head each day's notes, whether correspondence, speeches, or literary matter, with the date in longhand, and preferably in red ink, so that reference may easily be made to any particular date; it will save time, also, if the name of the addressee is given in longhand at the head of each shorthand reply.

Whenever an unfamiliar or a foreign word is introduced, it is best to ask at once for the correct spelling and not rely on looking it up afterwards or guessing it.

Every employer has his own vocabulary, and it will frequently prove an economy of time in the end, especially in the early days of experience, to compare the transcript with the shorthand notes, line by line, to make certain that the dictator's own words have been reproduced. Advantage may also be taken of this scrutiny to enter into a book kept for that purpose all new or unfamiliar phrases or words, and having looked up the correct outlines in the *Shorthand Dictionary* (which, with a fountain pen, should form part of the secretary's equipment), copy them out several times.

SHIPPING LAW

Continued from page 438

LESSON X.

COLLISION.—A shipowner is liable for negligence of the master and crew of his vessel so long as they are acting within the scope of their authority, and provided they are in his employment. In the case of a chartered vessel, where the charterer engages the master and crew, responsibility is on the charterer. The master of a vessel will be responsible to the owners for any loss due to negligence or misconduct. If, however, the ship is in the hands of a pilot the position will be different.

When the ship is in tow the question of responsibility is more complicated. The tug is looked upon as the servant of the tow and the law of agency is applied, hence the vessel in tow is responsible for any damage since the tug is acting under her directions. If, however, no orders have been given to the tug, it is her duty to keep the tow clear of danger.

ACTION FOR DAMAGES IN COLLISION.—If a shipowner sues for damages arising out of collision, it is necessary to prove that the damage arose entirely out of the conduct of the defendant ship. If the plaintiff has been guilty of any negligence or improper conduct, the damage done to the ship and cargo is estimated and divided equally between the two ships. This only applies where both ships are to blame, by reason of negligence directly contributing to the collision and in operation up to the time of the collision.

Not only can the owners of injured vessels sue for damages for loss, but passengers or other persons injured are entitled. According to the law of England, a passenger in a vehicle who is injured in a collision due to the fault of those conducting the vehicle in which he is travelling, is so identified with the owner of such vehicle as to have no right of action against the other party. This "doctrine of identification" does not extend to shipping law, and a passenger injured in a collision between two vessels may have a right of action against the owners of the other vessel even though the one in which he is carried may be at fault by reason of contributory negligence.

TOWAGE.—The business of all ships is not that of carriage. It has already been indicated in previous lessons that vessels may be chartered for purpose of towage, that is, for the purpose of "expediting the voyage of another vessel when nothing more is required than the acceleration of her progress." Towage is a matter of contract, and the tug and its owners are under an implied duty to use all skill in carrying out the contract. This does not mean that in all circumstances the work must be carried out, but the crew and tackle must be efficient and adequate for the contract, and all that is reasonably possible must be done for the successful discharge of the contract. Remuneration for towing is payable as in any other contract, and there is no maritime lien in favour of those entitled to such remuneration.

PILOTAGE.—Pilotage means either the fee payable for the services of a pilot and other dues arising out of his employment, or the duties coupled with the office of pilot. A pilot is a person who directs the course of a ship or who conducts a ship through narrow waters where local knowledge is required for the purpose. By the Merchant Shipping Act a pilot is defined as "any person not belonging to a ship who has the conduct thereof."

Pilots derive their authority to act from a certificate granted by the pilotage authorities by virtue of the Pilotage Act, 1913. The pilotage authority is constituted by special orders under the Act, the authority for London being Trinity House. The law as to pilotage was formerly contained in the Merchant Shipping Act, 1894, but the Act of 1913 has reorganized the whole of the law and practice with a view to securing uniformity in rules for the whole kingdom.

COMPULSORY PILOTAGE.—In certain areas the employment of a pilot is made compulsory, subject to certain exceptions which never apply in case of passenger vessels. Failure to employ a pilot in a compulsory area discharges insurers from liability under the policy. Where pilotage is compulsory the pilot is not the agent of the shipowner as he would be if the employment be voluntary. He is, however, when employed on a British ship deemed to be a workman within the Workmen's Compensation Act. He is entitled to remuneration for his services, and has a maritime lien in respect thereof.

SALVAGE.—Like the word "pilotage," salvage has two meanings. It may mean, in the popular sense, the property saved, but in maritime law it is the allowance to which a person or persons are entitled on account of *gratuitous* exertions by means of which vessels or goods have been saved from perils of the sea. A person entitled to such allowance or compensation is called the salvor.

Salvage is claimable under the following conditions: (1) where assistance is rendered to a disabled vessel by towage, or (2) where labour has been expended for preservation of the ship or cargo, skill and enterprise have been shown, and the service was dangerous and gratuitous. No claim can be made for saving life unless property out of which the claim can be enforced is also saved, as salvage creates a maritime lien.

COMMERCIAL TRAVELLING

Continued from page 379

LESSON VII.

WATCH YOUR HEALTH.—The strong, vigorous man on the road will always do better than the invalid . . . that is, unless he is an interesting invalid. It pays a man, when he is travelling, to take plenty of time to make and keep himself fit. A tired man is often better occupied in resting than in making his customers also feel tired.

"If I am out of sorts, I go for a walk," said one knight of the road. "I never dream of facing a customer unless I feel capable of overwhelming him."

Some people's methods and arrangements may not allow them to work on these lines. But the habit was an excellent one notwithstanding.

THE TRAVELLER WITH THE WRONG HOUSE.—The best of travellers will have a hard fight if he has the wrong firm behind him. There are several kinds of wrong firms and several degrees of wrongness. For convenience, the whole may be divided into three general classes—

(1) The firm that is excellent in trading on its own lines or with certain classes of customers, but that is unsuited to the traveller or his ground, or his connection.

(2) The firm that is very capable of doing business within a reasonable area, but that is too weak and inefficient to be very effective in trade at a distance.

(3) The hopelessly wrong house that has practically no business virtue, or that is spoilt by some predominating vice.

The first class is the largest, because it includes the great mass of trading houses. In another lesson it has been pointed out that a traveller should make it his business to suit his methods to those of his firm; but there are circumstances where this may be impossible, especially when he has a connection. Thus—

Mr. Thomas Richard obtains the agency for Riggin & Day, not knowing that they are entirely unfitted for trade with retail buyers. Their notion of trade is ton-lots. But Mr. Richard's customers —all loyal and faithful folk—are small shopkeepers. One can easily imagine that Mr. Richard will have difficulty in reconciling the ideals of his firm and the condition of his clients. Yet having taken up the agency, he may be very reluctant to let it go. He may be unable to change the nature of his connection; and, after a round or two, the firm itself may see that it has spoilt itself for the wholesale trade in that district, and earnestly wish to back him up.

Another case—

The traveller does a high-class trade in shops where daintiness and cut glass strike the eye at every turn. His new firm is in reality a smash-the-price-down any-kind-of-quality house catering for the Saturday night and market-day dealer and the hawker of cheap lines.

This man is in for difficulties.

FIRMS THAT ARE UNABLE TO COMPETE AT A DISTANCE.—Nearly every good-sized city has its local factories that cater for the city and its immediate surroundings. These local firms abound in a great many branches of trade, and can often keep the bulk of local business in their own hands. But the desire to extend naturally influences these people at some time or other in their history. They wish to be world-famous manufacturers and to be classed among the great trading houses of the country. And in this effort the organisation that is so effective within a small area completely breaks down.

"As long as I can deliver by my own vans, I can make money," said a small Bristol manufacturer recently. "It is when I begin to put goods on the rail that I get into difficulties."

"My travellers who come to the factory every day," said another man, "always seem to get on. It is the ones who are away overnight or who live in another town that have always given me bad results."

Here is this "area" idea regarded in two ways. The real truth is that a business organised for a certain method of distribution, control, and oversight has almost always a natural boundary, beyond which its normal methods will not succeed. The man who finds this out is the traveller, and he usually discovers it to his cost. There is a root difference between a local firm and an all-England firm—a difference of organisation, method, and outlook. The first is as circumscribed as the baker. The second can trade as effectively 200 miles away as just outside its factory walls.

CARELESS FIRMS.—There are a great many careless firms which can easily take their manner and style from the travellers who represent them. When a traveller finds that he is carrying the samples of such a house, he has all the greater need to see that his transactions are just, and that he watches evenly and equally the interests of buyer and seller. He must be prepared to protect his customers from the mistakes of his firm.

This series of lessons does not pretend to deal with the ethics of trading. Here, good faith and honest purpose are advised if only as policy, for sharp practice on the road does not pay. The trickster is quickly found out, and even the honest man is smirched if he tacitly identifies himself with a dishonest house.

BUSINESS QUALITIES

Continued from page 441

CONCENTRATION

The average man is singularly lacking in that quality of the mind which is called concentration, and even those with conspicuous ability often fail because they are unable to concentrate their powers on definite objects

It has been said that concentration is a characteristic mark of genius, and if we accept Carlyle's definition that "genius is an infinite capacity for taking pains," that may be allowed. But men of genius are not always conspicuous in concentration. It has been cynically remarked that many men have so much genius that they are unable to do anything but sit down and think about it. Genius has invariably revealed itself in fitful efforts of surpassing brilliance, rather than in the calm, orderly, and continuous direction of the mental faculties that is the result of concentration, and without which no man can attain a real success, whether he is endowed with genius or only blessed with ordinary intelligence.

Concentration literally means "bringing to a common centre," and we usually associate it with close mental application, absorption, or exclusive attention. We have heard it described as "focused attention," but this does not quite express the meaning, for the real secret of concentration is not in focusing the attention for a long time on one thing, but in knowing how to move this focused attention in an orderly manner. With concentration there must be actual performance, a desire for achievement, a persistent movement towards a definite object. The ability to concentrate at will on any subject is of the greatest value, and such concentration is indispensable to accurate reasoning and to the formation of sound judgments.

Distinguished men have invariably had concentration in a marked degree. Lord Rosebery, in a panegyric on Mr. Gladstone, said of him that the feature of his great intellect was his enormous power of concentration.

Concentration arises chiefly from being interested in a subject, though it is often necessary to force the mind to concentrate on matters that are in reality dull and uninteresting and even distasteful. It is here that the strong and regular command of the will is evidenced.

If we have the power to turn the stream of consciousness aside from its mad rush of wandering thoughts into a definite channel we have the great gift of concentration, through which a man may aspire to the highest achievements. Every difficulty yields to this splendid power, and obstacles become stepping-stones to higher things.

Samuel Warren said: "Difficulty is only a word indicating the degree of strength requisite for accomplishing particular objects; a mere notice of the necessity for exertion."

Our efficiency will depend not so much on our ability to do everything, or to remember everything, as upon our ability to see essentials, and to cast unessentials aside. We must know what to ignore and what to forget. Let us think scientifically, for science is organised thought. By thinking, a man becomes more active and more productive, and efficiency is economic productivity. In commercial life it is always the efficient thinker who directs us. Thought is force, and can achieve wonders. "Great thoughts, high thoughts, thoughts lasting to the end," are those that tell in our life's work. Right thinking is the impulsive force in high efficiency, for it constructs, strengthens, and ennobles. It means better manhood—the pluck to do and dare—the heroism of mighty endeavour. As Bishop Westcott said in one of his fine sermons: "Right action is true thought realised."

Let us consider how this faculty of concentration may be developed. Undoubtedly it is a matter of education, training, and habit. Spontaneous attention to the phenomena around us is a gift of nature which everyone of sound mind possesses, but the ability voluntarily to direct the attention by a mere act of the will is one of the marks of a well-trained mind. This power of attention will depend on the general habits of thought. It demands as a prime requisite an inclination to attend. Given this inclination we must learn to direct and control it. We must make the habit of the mind selective, so that we may choose the thoughts we want to retain, avoiding all thoughts which waste nerve force. The whole mind must be given to the proposition in hand, and then cleared before another is taken up. Thus we think of only one thing at a time, and that is the essence of concentration. It is more, it is the key to all success in life. "This one thing I do" should be the uppermost thought. Charles Kingsley said: "I go at what I am about as if there were nothing else in the world for the time being."

This ability to concentrate on a single object is a real accomplishment which will advance any one in life, even though deficient in talent and genius, because such a man will go further and do more that is of practical value in the world than those whose brilliance is too often superficial.

COMMERCIAL ENGLISH

Continued from page 444

KEY TO EXERCISES IN LESSON X (p. 444).

(*a*) He said that he was one of a large and, he thought, growing number of people who thought that education in this country might be a very good deal better than it was, but could not very well be much worse. That was not, however, the special point he wanted to raise. He wished to ask what the teacher counted for in education. Were his interests not worth consideration ?

(*b*) He said that he agreed with the original article, because in it the writer hoped for an improvement in the working man's position, and at the same time pointed out that drinking and gambling effectually prevented that improvement. He asked his hearers to remember that the riches of the prosperous classes ensued from the hard work, whether mental or physical, of their present possessors or their forefathers.

LESSON XI.

INDIRECT OR REPORTED SPEECH

(*continued*).

Secondary Rules for Indirect Speech. 1. QUESTIONS IN DIRECT SPEECH REQUIRE AN INTRODUCTION IN INDIRECT SPEECH, e.g.—

" Is the explanation satisfactory ? "

is changed into—

HE ASKED WHETHER *the explanation was satisfactory or not.*

2. DIRECT COMMANDS REQUIRE AN INTRODUCTION, AND ARE CHANGED INTO THE PRESENT INFINITIVE, e.g.—

The editor said : " TAKE *note of what is said and* REPORT *it immediately* " (commands)

must be changed into—

The editor told them TO TAKE *note of what was said and* TO REPORT *it immediately* (Infinitives).

3. THE NOMINATIVE OF ADDRESS, i.e. A NOUN USED TO NAME THE PERSON OR PERSONS ADDRESSED, MAY BE (*a*) OMITTED, OR (*b*) CHANGED INTO SOME EQUIVALENT EXPRESSION, e.g.—

(a) *The speaker said, " I hope,* MR. CHAIRMAN, *that I am not trespassing on the good nature of the audience "*

may be changed into—

The speaker said that he hoped that he was not trespassing on the good nature of the audience (omitted).

(b) *He said, " I hope,* LADIES AND GENTLEMEN, *that you are quite satisfied with my explanation "*

may be changed into—

He said that he hoped HIS AUDIENCE *were quite satisfied with his explanation.* (Equivalent expression.)

The fact that in reported speech all pronouns are reduced to the third person leads to a pitfall into which reporters sometimes stumble. This pitfall is the use of pronouns ambiguously, against which you were cautioned in one of the early lessons. Within the same sentence the pronoun *he* may be used to refer both to the person who made the speech and to the person who was addressed, e.g.—

Mr. Jones said, " You, sir, I am sorry to say, are responsible for this," (Direct)

turned into Indirect Speech according to the rules already given, becomes—

Mr. Jones said that he was sorry to say that he was responsible for that (Indirect).

We know from a comparison with the direct report that the first *he* refers to Mr. Jones, and the second *he* refers to the person whom Mr. Jones was addressing ; but the indirect report alone leads us to think that in both places *he* refers to Mr. Jones.

This difficulty may be avoided by the substitution of a noun for one (or both) of the pronouns, e.g.—

Mr. Jones said he was sorry to say that MR. SMITH *was responsible for that ;* or

Mr. Jones said that he was sorry to say that THE PERSON WHOM HE WAS ADDRESSING *was responsible for that.*

The following longer example will illustrate the rules already given—

Direct. Lieutenant-General Baden-Powell said : " Isn't that just the same in a game of football ? You may get tired and out of breath, and you may get a hack on the shins, but that does not stop you playing, does it ? No. You stick to it and go on because it is ' the game ' to do so. You've got to peg away, because you want your side to win. Remember we are each of us trying to do his little bit towards winning the game for our country."

Indirect. Lieutenant-General Baden-Powell asked whether that was not just the same in a game of football. The player might get tired and out of breath, and he might get a hack on the shins ; but did that, asked the General, stop his playing ? No. He stuck to it and went on, because he wanted his side to win. The General told his hearers that they had to peg away because they wanted their side to win, and he urged them to remember that each of them was trying to do his little bit towards winning the game for their country.

GRAMMAR NOTES.—Sequence of Tenses. TENSE is that form of a verb which shows (1) the *time* of the action or state expressed by the verb, and (2) its completeness or incompleteness at that time.

There are three divisions of time—Present, Past, and Future—and, therefore, three tenses of the verb. In order to express the completeness or incompleteness of the action or state in each tense, the verbs take altogether twelve forms, as shown in the following table—

PRESENT :	
Simple	I write.
Continuous ..	I am writing.
Perfect	I have written.
Perfect Continuous	I have been writing.
PAST :	
Simple	I wrote.
Continuous	I was writing.
Perfect	I had written.
Perfect Continuous	I had been writing.
FUTURE :	
Simple	I shall write.
Continuous	I shall be writing.
Perfect	I shall have written.
Perfect Continuous	I shall have been writing.

A very common fault in composition is neglect of the rules for the Sequence of Tenses.

The following are the most important rules—

(1) In a narrative the tense should not be changed suddenly from past to present or from present to past, e.g.—

(*a*) We *offered* him an explanation of our action, but he *refuses* it with contempt. (Past changed into present.)

(*b*) He *arrived at* the building and *enters* through the main door. He *has* only just *reached* the first floor when, standing before him, he *saw* the absconding cashier. (Past and present mixed.)

The sentences confuse the present and past tenses. They should be—

(a) *We* OFFERED *him an explanation of our action, but he* REFUSED *it with contempt.*

(b) *He* ARRIVED *at the building and* ENTERED *through the main door. He* HAD *only just reached the first floor, when, standing before him, he* SAW *the absconding cashier.*

(2) In a complex sentence the tense of the verb in the subordinate clause must correspond with that of the verb in the principal sentence, e.g. :

(*a*) A present tense or a future tense may be followed by any tense, as—

It IS *true* (present) *that he* IS *coming* (present)
It IS *true* (present) *that he* WAS *there* (past).

It IS *probable* (present) *that he* WILL COME (future).

I SHALL INFORM *you when he* SENDS (present) *the order.*

(*b*) A past tense must be followed by a past tense, as—

I DISCOVERED (past) *that his information* WAS *false* (past).

(*c*) When the subordinate clause indicates purpose—

(i) If the verb in the principal sentence is *present* or *future*, the verb in the subordinate clause must be *present* (*may*), e.g.—

I AM SENDING *the letter in order that he* MAY *know the position.*

I SHALL SEND *the letter in order that he* MAY *know the position.*

(ii) If the verb in the principal sentence is *past*, the verb in the subordinate sentence must be *past* (*might*), e.g.—

I SENT *the letter in order that he* MIGHT *learn.*

EXERCISES.

Turn the following passages into reported speech—

(*a*) "I am a man of peace," said the Bishop, "Where you see a hope of victory for what you think, no doubt, a great cause, I see above the *melée*, Strife, and Confusion, and Fate—'red with the blood of men.' What can you—and those who were at that meeting yesterday—hope to gain by these proceedings ? "

(*b*) "Well, all I know is that in the last case of typhoid we had here—a poor lad on Reynold's farm—his mother got him up every day while she made his bed, and fed him—whatever we could say—on suet dumplings and cheese. He died, of course ; what could we do ? "

(*c*) The Duke of Wellington, writing to Lord Derby, said : "My opinion is, that the great object of all is that you should assume the station, and exercise the influence which I have so long exercised in the House of Lords. The question is, How is that object to be attained ? By guiding their opinion and decision, or by following it ? You will see that I have endeavoured to guide their opinion, and have succeeded upon some most remarkable occasions."

(*d*) He replied : "I am sure that if the department can evince to the satisfaction of Parliament that its past management has been such as the public interests require, no one will be more gratified than myself. I am not aware if it will be in my power to attend in my place on Monday ; but if I can be so fortunate, I shall listen to your official statement with my very best attention."

BOOK-KEEPING

Continued from page 447

LESSON XI.

EXPLANATION OF TRANSACTIONS.—Having obtained the necessary books, let us now turn our attention to the transactions to be entered therein.

Jan. 1. *A. Brown pays into the bank the sum of £2,000 as his original capital in the business.*

As has been explained previously, Brown must be regarded as a personality distinct from the business which he carries on; and this transaction must, therefore, be regarded as a payment to the business, which the business pays into the bank, and with which it credits Brown.

The £2,000 is, therefore, debited to the Cash Account, and, as it is paid direct into the bank, it is entered in the bank column, thereby debiting the bank. The posting must then be made to the credit of "A. Brown—Capital Account," which account is opened in the Impersonal Ledger. The reference to the Ledger folio is entered in the column reserved for that purpose in the Cash Book as "I.L. 1" (i.e. Impersonal Ledger, folio 1), whilst in the Ledger the reference is made "C.B. 1" (i.e. Cash Book, folio 1).

Brown rented an office and warehouse at a rent of £100 payable quarterly in advance.

This is merely a memorandum to explain subsequent transactions, which fall to be dealt with later.

Jan. 2. *He purchased office fittings and furniture from T. Jones & Co. for £95, stationery and books from Barlow & Co. for £40, goods from the Tobacco Supply Co. valued together £1,700, and fancy goods from the Imperial Fancy Goods Co. value £350.*

From each of these firms Brown will receive an invoice showing the amount and value of his purchases, which, when received, will be checked with the actual goods delivered and the prices agreed upon. When ascertained to be accurate, the invoices will be entered in the Invoice Book and analysed under their appropriate headings in the analytical columns of that book. They will then be filed and numbered 1 to 4 to correspond with the numbers appearing in the Invoice Book. Personal Accounts will be opened for each firm, and the total of each invoice posted from the Invoice Book to the Personal Ledger, and the proper cross references made in the folio columns of both books.

Jan. 3. *Brown introduces £1,000 more capital, which was banked.*

This item is entered in an exactly similar manner to that in which the first item of £2,000 paid into the business is recorded. The bank column of the Cash Book is debited and the Capital Account is credited.

Jan. 3. *Brown engages a clerk and traveller a certain rates of remuneration.*

This is another memorandum for the purpose of explaining subsequent payments, and needs no entry in the books at present.

Jan. 4. *Brown sends cheques to T. Jones & Co. for £95, and to A. Barlow & Co. for £20.*

The payment to Jones & Co. is in settlement of the amount due on the purchase of the office furniture, whilst that to Barlow & Co. is on account of the books and stationery supplied. As the payments are made by cheque, they are entered in the bank column on the credit side of the Cash Book, and are posted to the debit side of the personal accounts of Jones & Co. and Barlow & Co. respectively. The effect is to close the account of Jones & Co., and it is consequently "ruled off." Upon Barlow & Co.'s account there still remains a credit balance of £20 to be paid.

Jan. 4. *He sold for cash tobacco value £3.*

This being a cash transaction, it is not necessary for a personal account to be opened. Apparently, Brown does not bank the £3 received, and, therefore, this sum is entered to the debit of the Cash Account in the "Cash" column. The posting is made direct to the Impersonal Ledger to the credit of an account opened there under the heading of "Cash Sales."

Jan. 5. *He received demand notes for £25 for rent and for £15 for rates.*

These demand notes are treated as invoices and, after being checked, are filed, numbered, and entered in the Invoice Analysis Book and carried out to the appropriate analysis columns. They are then posted to the credit of personal accounts opened in the name of the landlord and of the local authority levying the rates, respectively.

Jan. 6. *The following orders were executed—*

B. Wilson—	*Tobacco and Cigars* ..	£55
R. Thomson—	*Cigarettes*	40
W. White—	*Fancy Goods and Tobacco*	162

The Sales Day Book is now opened and, as these goods are dispatched, each delivery is entered therein. It should be noted that analytical columns are added to the Sales Book, in which the sales effected by the traveller are distinguished from those made direct by the warehouse. The object of this proceeding is to facilitate the calculation of the commission payable to Smith at the month end, since the total of his sales can, by this means, be readily ascertained.

Accounts are opened in the Personal Ledger for Wilson, Thomson, and White respectively, and the totals of each delivery are posted to the debit of the appropriate accounts.

Jan. 7. *Brown paid by cheque £250 to the Imperial Fancy Goods Co. and £1,000 to the Tobacco Supply Co.*

The bank column of the Cash Book is credited with the cheques drawn upon the bank, and the personal accounts of the Imperial Fancy Goods Co. and the Tobacco Supply Co. are debited with the amounts paid. These accounts have already been opened, when they were credited with the amounts of their invoices from the Invoice Analysis Book. Both these payments are "on account," and leave a credit balance on the personal accounts in both instances.

Jan. 8. *Further orders are received from J. Bishop, M. Black, and W. Bolton, and are duly executed.*

Following the lines of the transactions which occurred on January 6th, these deliveries are passed through the Sales Day Book, and are posted to the debit of personal accounts opened in the names of each of these customers.

Jan. 8. *He drew a cheque for £30 to meet the month's petty cash disbursements.*

This sum, being drawn from the bank for petty cash purposes as the fixed amount required to commence the Imprest system, is kept separate from the general cash by being placed in charge of the clerk. It is credited, in the same way as other cheques drawn, to the bank column of the Cash Book, whence it is posted to the debit of the Petty Cash Account opened in the Impersonal Ledger. It must also be entered on the debit side of the Petty Cash Book.

Jan. 9. *Brown pays cheques for* (1) *rent, £25 ;* (2) *rates, £15 ;* (3) *Imperial Fancy Goods—for balance of account ; and* (4) *Tobacco Supply Co. also for balance of account.*

As Brown pays these sums by cheque, the bank column in the Cash Book is credited. The sums paid to the Imperial Fancy Goods Co. and the Tobacco Supply Co. are ascertained by reference to the Ledger accounts of these two firms.

The credit balance of the Imperial Fancy Goods Co. is	£100	0	0
but as the account is paid within 7 days of the delivery of the goods, Brown is entitled to a discount of 5% on the total value, viz. : £350. He, therefore, deducts as discount ..	17	10	0
And draws the cheque for.. ..	£82	10	0
Similarly the Tobacco Supply Co.'s balance is	£700	0	0
and Brown is entitled to a discount of 10% on £1,700	170	0	0
The cheque in this case is, therefore, drawn for	£530	0	0

The amount of the discount must now be entered opposite the respective cheques in the discount column of the Cash Book, and the cheques plus the discount must be posted to the debit of the personal accounts affected, which will result in the closing of the two accounts referred to.

The payments for rent and rates are likewise entered in the credit bank column and posted to the debit of the personal accounts which have already been opened in the names of A. Lettor, the landlord, and the Corporation of Manpool.

Jan. 9. *Brown sold for cash, tobacco valued at £2 10s. and cigars value £5.*

These are "Cash Sales" similar to that which occurred on January 4th, and are consequently dealt with in the same way, being entered in the cash column and posted to the "Cash Sales Account."

Jan. 10. *He receives cheques in settlement of B. Wilson's, W. White's, and M. Black's accounts, which he pays into the bank.*

As these receipts have all been paid directly into the bank, the bank column must be debited with the amounts of the cheques. In the discount column, opposite the respective cheques, the amount of the discount allowed to these customers must be recorded. The amount of the cheque plus the discount must, in each case, be posted to the credit of the personal accounts to which they relate.

Jan. 10. *Brown pays the clerk's wages in cash and sends a cheque to the traveller for the amount of his wages and expenses.*

The cash column must, therefore, be credited with the amount of the clerk's wages paid, viz. : £1 15s. It now becomes necessary to open a Wages Account to which the payment to the clerk is debited.

The payment to Smith would, in the usual course, be credited to the bank column and debited direct from there ; but, as this cheque consists of wages and expenses, of which it is desirable to keep separate records, the simplest way of entering the transaction is to bring the amount of the cheque into the *cash* column on the debit side, in the shape of cash received from the bank, instead of posting it direct to the Ledger. The payment to Smith can then be entered in the *credit cash* column in two separate items viz. : Wages £3 10s. and travelling expenses £2 2s., which can then be posted separately to the Wages Account and Travelling Expenses Account respectively.

The subsequent transactions are more or less a repetition of those which have gone before, and, as the same principles apply, it is unnecessary to deal with each of them separately here. The following items, however, call for some explanation—

Jan. 19. *Drew from bank on account of capital, £100.*

This will be done by a cheque made payable to "Self," which will be entered in the credit bank

column, and posted to the debit of A. Brown's "*Drawings*" Account.

Jan. 20. *R. Burton returned tobacco value £30 and R. Turner made returns value £10.*

To record this entry, the *Returns Inwards Book* must be brought into use and the returns entered therein. They must then be posted to the credit of the personal accounts of Burton and Turner respectively.

Jan. 21. *Paid into bank £20 from cash in hand.*

The sum paid into the bank must, in the first instance, be entered in the *cash* column on the credit side of the Cash Book, since it is out of cash in hand that the payment is made. The corresponding debit is then made by an entry in the debit bank column, thus charging the bank with the sum paid in. The reference columns on each side of the Cash Book are then ticked through opposite the entries, to indicate that the item has been duly recorded on both sides of the book.

Jan. 29. *Returned to the Tobacco Supply Co., tobacco value £75, cigars value £40, and to the Imperial Fancy Goods Co., fancy goods valued at £5.*

These transactions are in nature exactly the reverse of those referred to above. A *Returns Outwards Book* is now opened, in which these items are recorded, and the personal accounts of the Imperial Fancy Goods Co. and the Tobacco Supply Co. are debited with the value of the goods returned.

Jan. 29. *Drew from bank, cash £10 for office purposes.*

The effect of this transaction is that the cash in the bank is reduced by £10, whilst the cash in hand is increased by the same amount. The bank column of the Cash Book must, therefore, be credited with £10; whilst the corresponding debit is made, not by a posting to the Ledger, but by a debit entry in the "*Cash*" column of the Cash Book. Thus the bank is credited and the cash debited.

Jan. 31. *Brown's petty cash disbursements amount to £27 10s.*

From an examination of the Petty Cash Book, Brown discovers that his month's petty cash disbursements amount to £27 10s. It is necessary to re-imburse the petty cash the amount expended, and he therefore draws a cheque in favour of the petty cashier for the sum of £27 10s., which, with the balance of £2 10s. remaining unspent, brings up the sum set aside to £30 once more. It is unnecessary to post this cheque to the Petty Cash Account; but, instead, it is permissible to enter in the Cash Book the analysis in detail, and to post direct to the debit of the nominal accounts comprised in the analysis. Thus, travelling expenses goes to the "Travelling Expenses Account," office cleaner's wages to the "Wages Account," and for the remaining items, viz., postage and receipt stamps, carriage, and incidental expenses, separate accounts must be opened in the Impersonal Ledger to which the sums stated in the analysis are debited by postings from the Cash Book.

CLOSING THE BOOKS.—As Brown desires to close his books, it now becomes necessary to complete the double entry of such transactions as have not been both debited and credited in the books. This is effected as follows—

(1) The Sales Book must be added and, since the personal accounts have been debited, the total sales, which amount to £2,201, must be credited to the "Sales Account" opened in the Impersonal Ledger.

(2) The analysis columns of the Purchase Book or Invoice Analysis Book must be added, and it must be seen that the sum of the analysis columns agrees with the sum of the "Total" column. This being done, the following nominal accounts are opened, and debited with the amounts shown in total in their respective columns in the Invoice Book, viz.: Purchases Account, Printing and Stationery Account, Rents Account, Rates Account, Office Furniture and Fittings Account.

(3) The two Returns Books must be added and the total of the Returns Inwards Book debited to a "Returns Inwards Account," whilst the total of the Returns Outwards Book must be credited to a "Returns Outwards Account."

(4) The discount columns of the Cash Book must be added. The totals of each column are then transferred to the opposite sides to make the two columns agree, and the discounts allowed are then debited to a "Discounts Allowed Account" and those received are credited to a "Discounts Received Account."

TRIAL BALANCE.—It now remains to prove the accuracy of the postings, and for this purpose the Personal Ledger must be gone through and each account "balanced off" by bringing down the balance between the two sides. The Cash Book must also be balanced off and the balances of the cash and bank columns brought down and reconciled with the actual cash in hand and at the bank. The Cash Sales Account should be closed by a transfer of the balance standing upon it, to the credit of the "Sales Account."

This having been done, the next step is to extract the balances appearing on each of the Ledger Accounts, and arrange these in the form of a Trial Balance. Debit balances must appear in the left-hand column and credit balances in the right-hand column of the Trial Balance. The balances of the Cash Book must not be overlooked, but, in the same way as the other Ledger balances, must be brought into the Trial Balance.

If the student carefully follows out the above instructions he will find that the two columns of the Trial Balance, when totalled, agree, from which fact it may safely be assumed that the arithmetical accuracy of the books is assured.

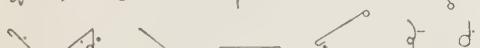
SHORTHAND

Continued from page 449

KEY TO EXERCISE 35.

1. Grain, grains, screens, glanced, cyclones, disdain, disdains, distrains, resist, resistance, chanced, mourns.

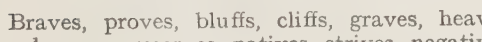
2.

3. 

KEY TO EXERCISE 36.

1. Braves, proves, bluffs, cliffs, graves, heaves, deserves, reserves, natives, strives, negatives.

2.

3. 

LESSON XI.

No Medial *NS* Circle. The student will recollect that in the previous lesson it was shown that *S* is added to a straight stroke hooked for *n* by continuing the hook *n* until a complete circle is formed. It should be particularly noted that this refers to *final ns* only.

Whenever *ns* or *nz* occur medially, both letters must be shown. Thus we have: *dense* but *density;* *rinse* but *rinser;* *dance* but *dancer;* *barns* but *Barnsley;* *cleanse* but *cleanser;* *trance* but *transit;* *prince* but *princely;* *chance* but *chancery;* *dispense* but *dispensary.*

In words like you will see that the circle is merely a circle *s* and not *ns;* thus, *plans,* *Plasmon:* *wines,* *wisely;* *dunce,* *dusk.*

In a few words the syllable "*some*" may be attached to the "*n*" hook; thus, *hansom,* *ransom,* *winsome,* *lonesome,* both circle and hook being clearly shown.

Turning back to the lesson on the final hooks, you will find instances in which the hook is not used, although the *N* happens to be final, as, for example. *sane,* *stain,* *swain,* *poison,* *deafen,* *toughen,* *lesson;* and also cases in which the STROKE *F* or *V* is used, although it is final, as *massive,* *oppressive,* *abusive,* etc. To these forms, as a matter of course, you will add the circle *s* or *z* in the usual way; thus, *sons,* *swains,* *poisons,* *deafens,* *toughens,* *lessons;* also *maintenance,* *sustenance.*

EXERCISE 37.

1.

2. Drains, refrains, expense, renounce, distance, strains, restrains.
3. Pounced, response, silence, violins, violence, gallons, balloons.
4. Spins, askance, repines, assistance, sense, sins, essences, Dunster.

The "Shun" Hook. In addition to the final hooks for *n* and *f* or *v*, which are both small hooks, a large final hook is made use of for the representation of the syllable sounded *shun* or *zhun*.

Considerably over 2,000 words have this termination. It will be an interesting exercise for you to see in how many ways this final syllable is spelt in the ordinary longhand. We have *-tion*, as in *dictation; -sion*, as in *fusion; -ssion*, as in *discussion; -cean*, as in *crustacean; -cian*, as in *logician; -shion*, as in *fashion; -sian*, as in *Persian*. All these endings are pronounced *shun* or *zhun*, and are represented by a large final hook.

You will, of course, remember that "tion" is not always pronounced *shun*. We have the words *question, suggestion, digestion*, in which the ending is not *shun*, and so is not represented by the large hook. This point is dealt with later.

Now, how is the *shun* hook to be written?

To Curves. From what we have already seen, we know that it is not practicable to write any hook whatever outside a curve. In accordance with this, therefore, we are compelled to write the *shun* hook inside all curves, as in *fusion,* *donation,* *remission,* *nomination,* *session,* *collision,* *inflation.* In such words as *sanction,* *distinction,* *extinction,* the *shun* hook appears inside "*ing.*"

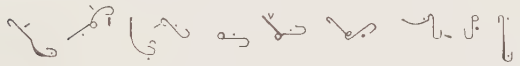
To Straight Strokes. We have seen that hooks can be attached to either side of a straight stroke. Hence we must now decide on which side of the stroke the *shun* hook must be written

RULE 1. (This rule must always take preference before all others.)

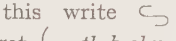
When straight strokes have an initial attachment —such as a circle, a hook, or a loop—the final *shun* is written on the opposite side to these initial attachments; thus we write:

When you try the effect of this you will find that this tends to preserve the straightness of the stroke. The final hook counterbalances the tendency of the initial hook to bend the stroke.

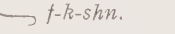
EXERCISE 38.

1. 
2. Absolution, vision, Prussian, dissection, suction, discretion.
3. Desiccation, expression, illustration, dissuasion, accretion, approbation.

RULE 2. Notice that, according to Rule 1, we write *kl shn.* (We shall find later that there is a large initial hook written to *k*, thus:) Imagine this initial hook opened out and enlarged, we would then to this write Open it out still further; we get *th-k-shn.* Again still further, and we have *f-k-shn.*

Thus 

The *shun* hook is written similarly in each case, namely, opposite the hook or curve running into *k*. The purpose of this is, of course, to preserve the straightness of the stroke.

You will readily understand that we should also write  or for the same reason.

Now if the small initial hook for *r* is similarly treated, we get

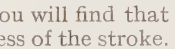
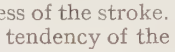
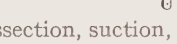
Our second rule, therefore, is that when *k-shn* OR *g-shn* follow OR upward the hook is written OPPOSITE TO THE CURVES, thus, *faction,* *vacation,* *navigation,* *location,* *selection,* *hypothecation.*

The curve here has the same effect as an initial hook.

EXERCISE 39.

1.
2. Revocation, pacification, avocation, deflection, legation, classification.

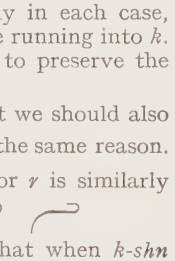
RULE 3. Rules 1 and 2 are practically the same, as they both deal with straight strokes having an initial attachment. When we consider SIMPLE straight strokes we make use of the *shun* hook to indicate the presence or absence of a vowel.

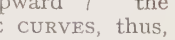
 both represent *p-shun;* both stand for *k-shn;* but the first of each pair is used when a vowel follows the straight stroke, and the second of each pair when no vowel follows, the *shun* hook being written on THE OPPOSITE SIDE TO THE LAST SOUNDED VOWEL; thus,  *passion,*  *option,* *action,* *cushion,* *occasion,* *operation,* *Persian,* *election,*  *elocution,* *preparation.*

RULE 4. (Really an exception to Rule 3.) Exception is made to the above rule in the case of the SIMPLE strokes after which the *shun* hook is always written to the right, as Notice particularly that there are no initial attachments whatever in the case of words included in Rules 3 and 4.

EXERCISE 40.

1.
2. Reduction, immersion, magician, petition, adaptation.
3. Write the following words in longhand, showing which rule they exemplify; thus, *defection* (3); *agitation* (4); *reception* (1); *deflection* (2).



Medial "Shun" Hook. The circle *s* may be added to *shun* hook by writing it inside the hook; thus, *operations,*  *prosecutions,* *divisions,* etc.

In some cases, strokes may be added after the *shun* hook; thus, *passion,* *passionately;* *occasion,* *occasional;* *action,* *actionable;* *revision,* *revisionary;* *provision,* *provisional;* *commission,* *commissionaire.*

In all cases the junction should be made as sharp as possible. In the words *mission*, *missioner*, *missionary*, note the alteration in the shape of the hook in order to sharpen the junction. Also in *emotion*, *emotional*; *addition*, *additional*; *diction*, *dictionary*.

"Shun" following a Circle. Up to now we have never had occasion to follow a circle by a hook. Even in the case of the *shun* hook, this is only possible by means of an artifice.

There are a fair number of words ending with *s* × *shn*, the cross representing, as usual, a vowel; as *position, precision, physician, recession, transition, dispensation, cessation*, etc.

In order to obtain the outlines for such words as these, proceed as follows—

1st. Take off the ending × *tion*, and write the correct outline for the remainder.

Thus, in the case of the above words, we get *pos(ition)*, *prec(ision)*, *phys(ician)*, *rec(ession)*, *trans(ition)*, *dispens(ation)*, *cess(ation)*.

By continuing the circle so as to form a further SMALL HOOK, we add *shun*. Thus we get *pos-tion*, *prec-sion*, *phys-cian*, *rec-sion*, *trans-tion*, etc.

You will see that here there is no indication of an intervening vowel. This will not trouble you much, for you can guess almost with certainty what the missing vowel is from the outline itself. However, to make matters absolutely sure, the following rules exist—

1. If the hook is left unvocalised, the intervening vowel is read as *ā* or *ĕ*, the second-place vowels.

2. If a light dot is placed *outside* the hook, the third-place short vowel *ĭ* is indicated before the *shun*.

Thus we have *possession* (no vowel shown), *position* (light dot *outside*), *transition*, *dispensation*, *disposition*, *dispossession*, *cessation*, *secession*, *indecision*.

A small circle may be written inside this small *shun* hook if necessary, as *processions*, *musicians*, *accessions*, *transitions*, *positions*.

Further strokes may be attached in some cases; thus, *transition*, *transitional*; *procession*, *processional*; *supposition*, *suppositional*.

Now let us return for a moment to our Rule referring to the use of circle *s* and stroke *s*. We find that in such words as *joyous* (*j* × × *s*), *science* (*s* × × *ns*), *suet* (*s* × × *t*), *pious* (*p* × × *s*), wh[illegible] a triphone occurs between *s* and the preceding or following consonant, the STROKE *s* is employed (Please refer to this rule for details):

joyous, *science*, *suet*, *pious*.

From this we naturally conclude that, where a triphone occurs between two consonants, it is better, as a general rule, that both consonants should be represented in full.

Now let us apply this to such words as *situation*, where there are two vowel-signs between the "*t*" and the following *shun*. According to what we have just said, the abbreviation for *shun* should not be used; hence we write it with the STROKE *sh*; thus, *situation* (*s* × *t* × × *shn*). Compare this with *citation* (*s* × *t* × *shn*), where only ONE vowel precedes the *shn*.

You will probably notice that in all words of this class the first vowel-sign is a diphthong. Thus we have *striation*, *extenuation*, *tuition*, *attenuation*, *evacuation*.

In several words like "superannuation," "fluctuation," "perpetuation," "punctuation," the *shun* hook may be used in order to avoid a lengthy outline. In these words the outline leaves no doubt as to what the ending should be. The words are accordingly written:

Observe, however, that this abbreviation cannot be employed in the words *extenuation*, *attenuation*, *evacuation*, for the outlines and are already employed for "extension," "attention," and "eviction."

EXERCISE 41.

1.

2. Professional, cautionary, actionable, illusions.
3. Remission, erudition, acceptation, sessions.
4. Traditions, attrition, citation, rogation, eruption, aggregation, segregation.

COMMERCIAL ARITHMETIC

Continued from page 452

ANSWERS TO EXERCISE J.

1. 16s. 4d.; 18s. 2d.; 10s.; £1 1s. 9d.
2. £4 1s. 5d.
3. £108 10s. 10d.
4. Calculate the number of days to the date of striking the balance (i.e. to 31st December).
Balance = £245.
Balance of products = 118545.

$$\text{Interest} = \frac{118545 \times 12}{73000}$$
$$= £19\ 9s.\ 9d.$$

∴ Cash balance due on 31st Dec. = £264 9s. 9d.

LESSON XI.

In Lesson X we dealt with questions of simple interest, and found the amount of the interest when given the principal, rate per cent., and the time. There were always these three quantities—principal, rate per cent., and the time—and we were required to find a fourth quantity, interest. We shall now show how to find any one of the quantities when the other three are given.

EXAMPLE. The interest on £320 for 5 months was £6; what was the rate per cent. per annum?
Here we are given:

principal = £320
time in years = $\frac{5}{12}$
interest = £6

The interest for 5 months = 6

∴ ,, ,, ,, 1 year $= \frac{6 \times 12}{5} = 14\frac{2}{5}$

∴ rate of interest per £1 per annum $= \frac{14\frac{2}{5}}{320}$

∴ rate per cent. per an. $= \frac{14\frac{2}{5}}{320} \times 100$

$$= \frac{72 \times 100}{5 \times 320}$$
$$= 4\frac{1}{2}$$

EXAMPLE. In what time will £365 amount to £372 at $3\frac{1}{2}$ per cent. per annum?
Principal = £365; Interest = £7;
Rate per cent. = $3\frac{1}{2}$
Interest for 1 year on £365 = $\frac{7}{200} \times 365$
$= 12\frac{31}{40}$
Interest for the time ,, = 7

∴ time $= \frac{7}{12\frac{31}{40}}$ years

$$= \frac{7 \times 40}{511} \times 365 \text{ days}$$
$$= 200 \text{ days}$$

In a similar manner we could find the principal, if the rate, time, and interest were given.
Such examples, however, are easily worked by the use of formulae—
Let I = interest; P = principal; r = rate per cent.; y = time in years.

$$\text{Then } I = P \times \frac{r}{100} \times y = \frac{P \times r \times y}{100}$$

$$\text{Hence } P = \frac{100 \times I}{r \times y} \qquad r = \frac{100 \times I}{P \times y}$$

$$y = \frac{100 \times I}{P \times r}$$

EXAMPLE. In what time will the interest on £753 10s. amount to £7 10s. 6d. at $4\frac{1}{2}$ per cent. per annum?

P = 753·5
r = $4\frac{1}{2}$
I = 7·525

$$y = \frac{100 \times I}{P \times r}$$
$$= \frac{100 \times 7{\cdot}525 \times 2}{753{\cdot}5 \times 9}$$
$$= \frac{1505\cdot}{6781{\cdot}5} \text{ years}$$
$$= \frac{1505 \times 365}{6781{\cdot}5} \text{ days}$$
$$= 81 \text{ days}$$

A mental calculation shows us that the period of time will be less than one year. In such an example we might determine the interest on the principal for 1 day by the *third tenth and tenth rule*. Hence we could find the number of days by dividing the given interest by the interest for one day.

$$\text{Interest for 1 day} = \frac{753{\cdot}5 \times 9}{73000}$$

7·535 × ·009

·0678
·0226
·0023
·0002

·0929)752·5(81 days
93

EXAMPLE. What principal will amount to £281 7s. 6d. on 26th September if lent on 19th February, interest being at the rate of 3 per cent.

In this example the interest is not given; therefore the formula for finding the principal does not apply.

From "*table of days*," 26th September is 269th day, and 19th February is 50th day.

Hence period = 269–50 = 219 days.

Let principal = 100

then interest = $\frac{8}{5} \times \frac{3}{1} = 1\frac{4}{5}$

$\therefore$ amount = $101\frac{4}{5}$

$\therefore$ Principal = $\frac{100}{101\frac{4}{5}}$ of amount

$= \frac{500}{509} \times 281{\cdot}375$

$= \frac{140687{\cdot}5}{509}$

$= £276{\cdot}4$

$= £276$ 8s. 0d.

We can deduce a formula for finding the principal when the amount, time, and rate per cent. are given.

Let P = principal and A = amount.

In the preceding example we found that—

$$P = \frac{100}{101\frac{4}{5}} \times A$$

$$\text{Now } 101\tfrac{4}{5} = 100 + 1\tfrac{4}{5} = 100 + \tfrac{8}{5} \times 3$$
$$= 100 + y \times r$$

$$\text{Hence } P = \frac{100 \times A}{100 + y \times r}$$

BANKERS' DISCOUNT.—When a debt or a bill of exchange is paid before it is due, it is usual to allow an abatement. This is known as *Bankers' Discount*. A banker or billbroker will pay cash for a bill before it is due, if the security is satisfactory. This is termed *discounting* the bill. The discount is calculated in the same way as simple interest; and the time is reckoned from the day when the bill is discounted till the due date. A bill is legally due *three days* after it is nominally due; and these three days are called *days of grace*. Thus if a bill is drawn on 1st March, and is payable three months after date, it is not legally due until 4th June. As is the case with other business discounts, the discount is calculated on the face-value of the bill.

EXAMPLE. A bill for £210 17s. 6d. was drawn on 2nd February at 3 months. It was discounted on 20th February at $3\frac{1}{2}$ per cent. Find the bankers' discount.

Amount of bill = £210·875
Date drawn = 2nd February
,, due = 5th May
,, discounted = 20th February
Rate of discount = $3\frac{1}{2}$%

Number of days from 20th February to 5th May = 125 – 51 = 74.

$$\text{Bankers' discount} = \frac{210{\cdot}875 \times 74 \times 7}{73000}$$

$$= \frac{210{\cdot}875 \times 518}{73000}$$

$= £1$ 9s. 11d.

By third tenth and tenth rule—

2·10875
·518
1·0543
211
168
1·0922
$\frac{1}{3}$ ·3641
$\frac{1}{10}$ ·0364
$\frac{1}{10}$ ·0036
1·4963

£1 9s. 11d.

EXAMPLE. A banker discounts a bill due six months hence, the rate of discount being 5 per cent. per annum. What rate per cent. does he really obtain for his money?

Let the amount of the bill be £100. The interest on £100 for 6 months at 5 per cent. is $2\frac{1}{2}$. Therefore the banker pays $£97\frac{1}{2}$ for the bill. At the end of 6 months he will receive £100. His interest on $£97\frac{1}{2}$ for six months is $£2\frac{1}{2}$.

$\therefore$ Interest on $£97\frac{1}{2}$ for 12 mos. = 5

,, ,, £100 ,, ,, $= \frac{100}{97\frac{1}{2}} \times 5$

$= \frac{1000}{195}$

$= 5\frac{5}{39}$

$\therefore$ rate = $5\frac{5}{39}$%

By formula—

P = $97\frac{1}{2}$
I = $2\frac{1}{2}$
y = $\frac{1}{2}$

$$r = \frac{100 \times I}{P \times y}$$

$$= \frac{100 \times 2\frac{1}{2}}{97\frac{1}{2} \times \frac{1}{2}}$$

$$= \frac{100 \times 5 \times 2 \times 2}{195 \times 2}$$

$= 5\frac{5}{39}$

EQUATION OF PAYMENTS.—When several bills are due at different times, it is often convenient to determine at what date the total of the various bills may be settled by one payment. This date is called the *equated time*.

EXAMPLE. Find the equated time of the

following bills—£375 due 4 months hence; £281 5s. due in 5 months; and £93 15s. due in 6 months.

The interest on £375 for 4 months is equivalent to the interest on £1,500 for 1 month. Express each of the amounts by its equivalent amount for 1 month—

£375 for 4 months = £1,500 for 1 month
£281¼ ,, 5 ,, = £1,406¼ ,, ,,
£ 93¾ ,, 6 ,, = £ 562½ ,, ,,

Hence £750 ,, x ,, = £3,468¾ ,, ,,

We are required to find what number multiplied by 750 produces 3,468¾; this is found by division.

Hence $x = \frac{3468\frac{3}{4}}{750}$

= 4⅝ months, or 4 months 19 days.

EXAMPLE. Find the equated time of the following bills—£300 drawn on 10th February at 3 months; £400 drawn on 1st March at 2 months; and £200 drawn on 12th April at 4 months.

It is noticed that the bills are of different dates and for different periods. It is necessary that we should choose a convenient initial date, and then calculate the number of days from this date to the due date of the bills. This arbitrary date is often called the *zero date*. In this example, 10th February might be chosen as the zero date. It is usual, however, to reckon from the 1st of the month. Do not forget the *days of grace*.

Zero date = 1st February.
£300 due 13th May (i.e. 101 days from 1st Feb.)
£400 ,, 4th ,, (,, 92 ,, ,, ,,)
£200 ,, 15th Aug.(,, 195 ,, ,, ,,)

300 for 101 days = 30300 for 1 day
400 ,, 92 ,, = 36800 ,, ,,
200 ,, 195 ,, = 39000 ,, ,,

900 ,, x ,, = 106100

∴ Equated term = $\frac{106100}{900}$ = 118 days.

118 days from 1st February is 30th May.

∴ Equated time = 30th May

AVERAGING ACCOUNTS.—A merchant supplies goods on certain dates for certain periods of credit. From time to time the customer pays cash as partial payments of his account. We are required to determine the date on which the balance should be paid. This is called *Averaging Accounts*. It is an application of *equation of payments*.

EXAMPLE. A merchant supplies goods and receives cash as under. Determine the date on which the balance should be paid to close the account.

Dr.				*Cr.*			
Jan. 2	To Goods, 3 mos. credit	£ s. d. 250 10 0		Feb. 12	By Cash	£ 150
Feb. 10	,, ,, 2 mos. ,,	175 16 0		Mar. 15	,, ,,	120
				,, 31	,, ,,	100

Let zero date be 1st January—
£250 10s. is due on 2nd April (i.e. 91 days from 1st Jan.)
£175 16s. is due on 10th April (i.e. 99 days from 1st Jan.)
£150 is paid on 12th Feb. (i.e. 42 days from 1st Jan.)
£120 is paid on 15th March (i.e. 73 days from 1st Jan.)
£100 is paid on 31st March (i.e. 89 days from 1st Jan.)

Express each of these amounts as its equivalent amount for 1 day.

Dr.		*Cr.*	
250·5 × 91 =	22795·5	150 × 42 =	6,300
175·8 × 99 =	17404·2	120 × 73 =	8,760
		100 × 89 =	8,900
426·3	40199·7	370	23,960

The balance is £56·3.

The difference between the products on the *Dr.* side and those on the *Cr.* side = 16239·7.

∴ Equated term = $\frac{16239{\cdot}7}{56{\cdot}3}$

= 288·4 days

The balance £56 6s. will be due on 16th October.

5 6 3)162397(288·4
4979
475
25
3

If the balance were paid before 16th October, discount would be allowed. If paid after that date, interest would be charged. The amount, less discount (or amount plus interest), when the account is settled at some other time, is called the *cash balance*.

EXERCISE K.

1. £233 was deposited in the bank on 16th February. Some months later the amount, including interest at 3¼ per cent. per annum, was withdrawn. If the total amount received was £238 2s. 6d., on what date was it withdrawn?

2. A bill for £372 10s. is drawn on 13th March at 3 months. It is discounted on 1st April at 3½ per cent.; what amount is received for it?

3. Find the equated time of the following—
£280 15s. drawn 2nd March at 4 months.
£175 10s. drawn 30th March at 2 months.
£326 17s. 6d. drawn 25th April at 3 months.

4. Find the date on which the balance of the following account should be paid to close the account.

Dr.				*Cr.*			
Feb. 17	To Goods, 3 mos. credit	£ s. d. 210 15 0		April 1	By Cash	£ 150
Mar. 10	,, ,, 6 mos. ,,	350 17 6		June 1	,, ,,	300
May 11	,, ,, 2 mos. ,,	179 10 0		July 20	,, ,,	200

HANDWRITING

Continued from page 453

LESSON XI.

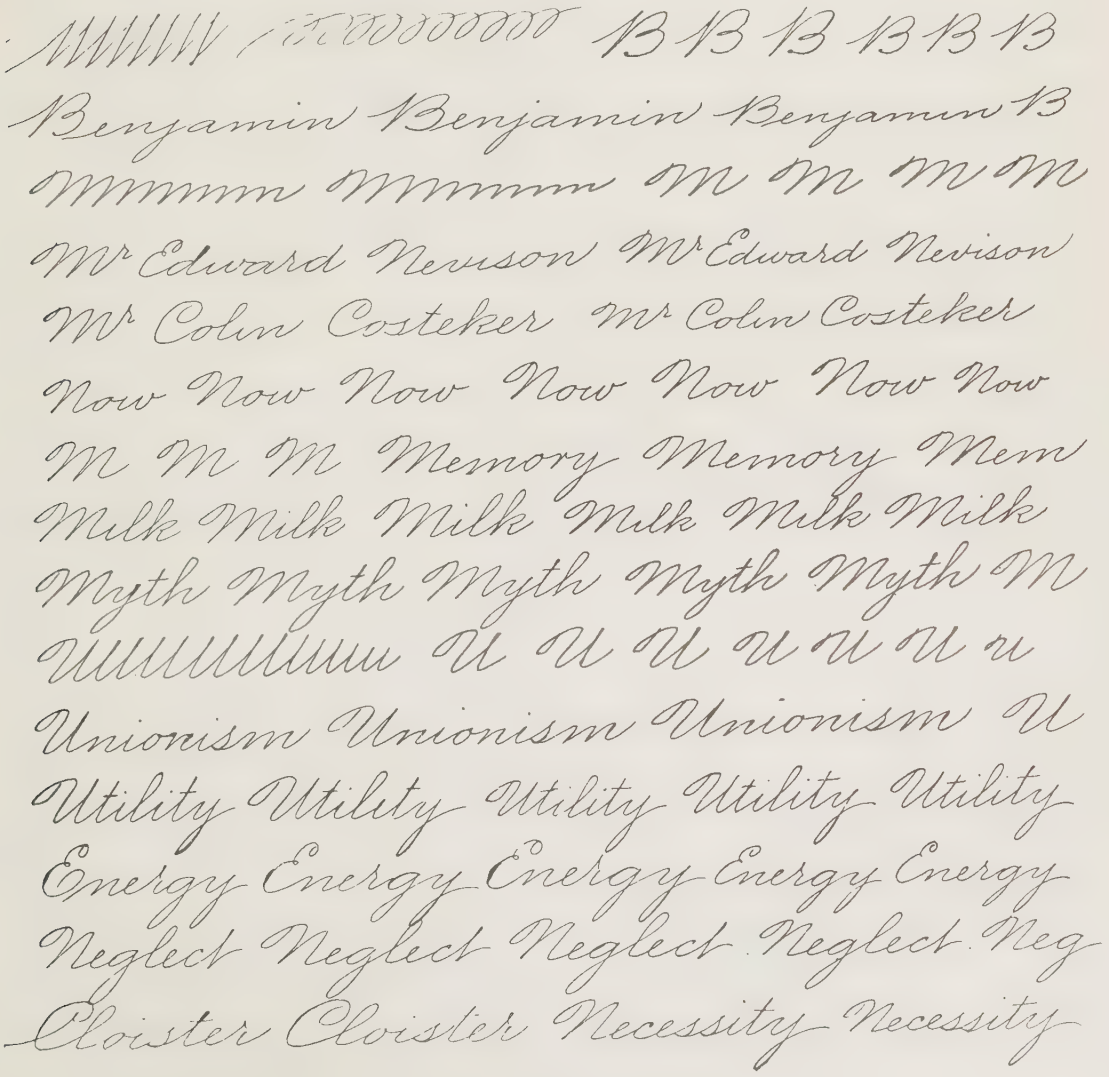
The directions given in the preceding lesson apply with equal force to this one. Give the arm free play, especially in the upstrokes. Do not tighten the muscles of the arm nor grip the pen too tightly. All manual implements are most easily made to do their proper work when the muscles are not unduly stiffened. Hence arises the saying that "a tool will do its work if you will let it." Certainly this is true of the pen.

LINE 3. Be careful to get a rounded curve on the top of this exercise, and give the same appearance of roundness to the letters which follow.

LINE 9. Notice the difference in height of the letter *t* and *h*.

LINE 14. Note carefully the upward connecting stroke between *g* and *l*.

EXERCISE XI.


Benjamin Benjamin Benjamin
Mr Edward Nevison Mr Edward Nevison
Mr Colin Costeker Mr Colin Costeker
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Energy Energy Energy Energy Energy
Neglect Neglect Neglect Neglect Neg
Cloister Cloister Necessity Necessity

FIG. 13.

TYPEWRITING

Continued from page 454

LESSON XI.

DISPLAY WORK.—The display of typewritten matter allows for great variety in taste on the part of the typist; but, although this is the case, fancy should never be allowed to run riot. Simplicity in style should be the keynote, and will be found far more effective than elaborate displays of ornamentation. Indeed, the novice in typewriting cannot do better than study the general style adopted by printers in standard works, whether literary or commercial, with a view to *educating* his taste. Of course, if the typist has access to really good typewritten models, they should have the desired effect; but the majority of us come across far more printed forms than typewritten ones, and from every such form the student who is *keen* on his work may derive instruction. It is just a case of "eyes and no eyes." In work of this class, perhaps one of the greatest essentials is to see that the lines are evenly balanced. If they be head-lines over a typescript, they should be balanced over the typescript; if a title page, over the centre[1] of the page; or if an advertisement, the various lines should be arranged so as to set forth *prominently* the merits of the article advertised.

Again, if there be a heading and sub-heading, the heading should take precedence, not only in position, but also in style. Here, although nothing fantastic should be adopted, there is plenty of scope for graduating the headings and making some more prominent than others by employing *capitals, capitals spaced, small letters with an initial capital for important words, small letters spaced, small "block" letters;* or in cases where the typewriter has interchangeable type, for example, the Hammond, the head-lines can be made more conspicuous by employing a different style of type, or, perhaps, a larger size. The various head-lines may be embellished by the use of the underscorer for single, double, or treble lines, or, in certain styles of work, a little ornamentation is permissible.

CENTRING.—Now with regard to centring, briefly the rules are as follows: Mark the centre of the backing sheet with a *red* line; insert two sheets as usual, but allow the red line to project slightly above the other sheet, so that the centring point can at once be ascertained by reference to this red line and the scale. Set the paper guide to the left-hand edge of the paper, in order to ensure each successive sheet being inserted in *exactly* the same position. This is important, as it is here that so many beginners fail, by forgetting that the centring point *must* vary unless the paper is precisely in the same position.

On many of the older makes of typewriters there is no paper guide, but a pencil mark on the cylinder, a gilt line on the paper shelf, or any other *fixed* guide—not a movable one—will serve equally well; and having *once* ascertained the centre, and noted how the paper is to be inserted, the centre becomes a *fixture*, so long as the same width of paper is in use.

If the centring occurs in work which has a left-hand margin, proceed exactly as above, but *add* to the ordinary centre *half the margin*, and the result will be the centre of the typed line. Of course, if the margin is the *same* width on *each* side of the paper, the common centre will hold good.

For example, taking a scale of 72 degrees—

No margin	centre 36
Uniform margin each side	,, 36
Left-hand margin of 10 (36 + (10 ÷ 2)=	,, 41
Left-hand margin of 20 (36 + (20 ÷ 2)=	,, 46

and so on.

Having found the centre, count the number of letters, stops, and spaces; divide the number by 2, and subtract the half from the centre to ascertain the number at which to commence.

For *un-spaced* head-lines, allow *no* spaces between the letters, and *two* between the words.

For *single* spaced head-lines, *one* between the letters and *three* between the words.

For *double* spaced, *two* between the letters and *four* between the words.

These rules apply to both small and capitals alike.

To obtain "block" letters, or what are sometimes known as "heavy face," type *each letter three* or *four times*, either by means of the back-spacer, or by holding down the space-bar as each letter is depressed.

Now with regard to marginal notes: they are never spaced, but are generally typed in capitals if they are in the nature of sub-titles; but if remarks on the text, for example, Counsel's Opinion on a Case, these are frequently typed in *red*, and, of course, in small letters.

EXERCISE 19.

Carefully set out the following advertisement on quarto paper, paying due regard to the accurate counting of the various lines. Compare your copy with the Exercise and, if not satisfactory, re-tvpe.

Additional practice may be obtained by setting out any advertisements which come to hand.

[1] The term "centre" is applied to the centre from left to right.

D R. G R E E N'S T A B L E T S

Are safe for the youngest child or most delicate invalid, and act more brilliantly than any other medicine in cases of

CHILDREN'S DISEASES	$	NERVOUS PROSTRATION
WASTING DISEASES	$	LOSS OF APPETITE
PREMATURE DECAY	$	ORGANIC WEAKNESS
NEURASTHENIA	$	MALNUTRITION
INDIGESTION	$	NERVE PAINS
BRAIN FAG	$	DEPRESSION
DECLINE	$	NEURITIS

LOSS OF STRENGTH

And all disorders consequent upon de-vitalised nerves.

P r i c e s

10½d. 1/1½ 2/9

a Bottle.

Of all Chemists, Stores and Medicine Vendors,

or POST FREE from the Sole Agents:

DR. GREEN'S CO., LTD., 34 Dock Street, Liverpool.

Exercise 20.

Type the title-page, inserting the horizontal lines as they occur, after which re-insert the paper with the top of the sheet to the left of the scale, adjust it to a nicety, and type the perpendicular lines. Employ the underscorer for the lines, and the colon and hyphen for the relief.

For additional practice, set out the title-pages of any books to hand.

C R O W B O R O U G H - O N - S E A

Published

FOR THE CORPORATION BY THE

HEALTH RESORTS ASSOCIATION

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÷÷÷ ÷÷÷ ÷÷÷
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All rights reserved.

57 The Parade, Crowborough-on-Sea.

COMMERCIAL HISTORY

Continued from page 456

LESSON X.

THE STRUGGLE FOR COMMERCIAL SUPREMACY AND THE FOUNDATION OF EMPIRE.—Wars with continental powers on religious and political grounds had been frequent prior to the seventeenth century; but they had been fought principally on continental territory, or the south-western European Seas. With the rise of England as a maritime power in the sixteenth century, commercial rivalry was added to the causes; and the struggle for supremacy was frequently carried on in distant lands and on the great ocean highways.

The adventurous maritime spirit of the time found another outlet in the voyages of discovery which laid the foundations of the British Empire. Cabot, sailing from Bristol, discovered in 1497 the coast of Labrador; and he or his son in the following year discovered Newfoundland. Attempts were also made to colonise some of the North American settlements, but success was not attained until the early seventeenth century; and attempts to find new passages to India by the North-west and the North-east led to the discovery of new territories and the better exploration of territory already discovered. One of the results of these new discoveries was the introduction to England of new commodities and crops such as tobacco and the potato.

The trading companies almost from their inception had come into hostile contact with the Dutch and other continental trading nations. The Dutch had a very strong hold on the East Indian trade from which they had driven the Portuguese. The dispute between the English and Dutch became more bitter after the Massacre of Amboyna; and the Navigation Act of 1651, re-enacted in 1660 and supplemented afterwards, was aimed specially at the Dutch. These Acts were intended to develop English shipping by making compulsory the employment of English ships for certain branches of the coasting and foreign trade, and seem to have served their purpose. During the thirty years following the passing of the Act, the mercantile marine was doubled; the English got most of the trade into their own hands; and the Dutch lost their supremacy; whilst Spain and Portugal had become so weak as to cease to be effective as rivals.

AGRICULTURAL AND INDUSTRIAL PROGRESS.—If Englishmen were active on the high seas and in foreign countries in the sixteenth and seventeenth centuries, they were by no means inactive at home. In agriculture, the introduction of convertible husbandry in the early sixteenth century led to the more profitable use of the soil. The cultivation of root crops, more widely adopted in the seventeenth century, helped to solve the problem of the winter feeding of cattle. In the middle of the century, large areas of land in the Fen district were drained and reclaimed for cultivation, a work largely due to the example of Vermuiden. At the end of the century, agriculture was still further improved by the employment of an improved rotation of crops and by the cultivation of grasses.

Considerable progress was also made in industry. During the reign of Elizabeth, Flemish and other artisans, driven from their homes by persecution, settled in England and were encouraged. They introduced new trades and also improved methods of conducting the old ones. The Revocation of the Edict of Nantes in 1685, led to a further immigration of artisans (followed by another in 1709 from the Palatinate), principally silk weavers, who settled at Spitalfields, Coventry and Macclesfield, and linen weavers, who settled principally in Ireland and Scotland.

So important was industry becoming that it is not surprising to find a number of Acts passed to deal with matters connected with it. Principal among these were the Weavers Act (1555), and the Statute of Apprentices (1563). The former limited the number of looms and number of apprentices which a weaver might have and, by preventing accumulation of machinery, maintained the domestic nature of the industry. The Statute of Apprentices compelled those who wished to practise a trade to serve an apprenticeship first; and it regulated the number of apprentices to each journeyman. The Gilds had enforced such a rule within the area of their own jurisdiction, and the Act made the practice universal. But the Act did more things than these. It placed upon justices of the peace the duty of meeting yearly and, taking such counsel as they thought fit, fixing wages for every kind of employment—agricultural, industrial, and domestic—in the area. Though there is some doubt about the universality of the enforcement of this Act, it had a profound influence during the following two centuries. It fell into comparative disuse during the eighteenth century; but it was not repealed until 1814 and 1815, when the working classes, oppressed by the distress caused by the Industrial Revolution, sought to have the Act put into operation. Attention being thus called to the existence of the Act, Parliament repealed the clauses referring to wages in 1814, and those referring to apprenticeship in 1815.

OFFICE ORGANISATION AND COUNTING-HOUSE ROUTINE

Continued from page 458

LESSON IX.

PETTY CASH BOOK.—In a well-organised business the Petty Cash Book assumes an important aspect; and it is highly desirable that an analysis should be made of the petty cash expenditure, as it is surprising how soon a fairly large total is brought about by the amassing of small amounts. To avoid the trouble of dissecting the items in order to arrive at a summary at the end of the month, or year, it is useful to have analysis columns similar to those shown in the specimen. These columns are totalled, and by "cross-totting" it is seen that in the aggregate they equal the grand total, and the amounts are posted to the expense accounts in the Nominal or General Ledger. The final result is, therefore, that the general cash has been credited for the amount expended and the various nominal accounts debited, the "double-entry" principle having been carried out by means of a few entries.

Imprest System. The imprest system is now being widely adopted. The procedure is as follows: A certain sum is, first of all, handed to the petty cash clerk; and, as payments are made by him, they are entered in the Petty Cash Book with the necessary description, and the amount set out in the total column and also extended to the particular analysis columns. At the end of the week, or month, as agreed upon, the items are checked by the accountant, cashier, or staff auditor, as the case may be; and the amount expended is re-imbursed to the petty cashier, thus restoring the amount in his hands to the original (i.e. the *imprest*) sum. In the specimen the imprest sum is, of course, £50. As before mentioned, the summary is dealt with in the General Cash Book.

Vouchers should be carefully preserved for inspection; and it should be an absolute rule that no loans should be made from the petty cash to members of the staff, and no small miscellaneous sums should be received by the petty cashier.

Departmental and Analytical Petty Cash Book. In a business of considerable magnitude, with several departments, the Petty Cash Book will be of a still more elaborate description. A ruling is appended giving some idea of a suggested arrangement for a business of, say, four departments. It is useful to have a special column to the extreme right for items which do not fall under any of the headings to the other columns. To give an instance: supposing the firm advertises largely, and there are numerous accounts which pass through the Ledgers and are collected under the heading of "Advertising" in the year's financial statements, and occasionally an advertisement is paid for out of petty cash when a current account is not run by the firm with the particular paper, magazine, etc., then the item will be placed out into the special column and posted to the Ledger account, "Advertising," *viâ* the summary. Sometimes solicitors require odd affidavit fees to be paid "cash down" at the time of "swearing," and these would be summarised to Law Charges.

Dr. PETTY CASH BOOK Cr.

				Total.	Travelling.	Office Wages.	Postages and Telegrams.	Stationery.	Cables.	Porters and Carriage.	Sundries.
£ s. d.	19...			£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
50 0 0	July	1	To Cash								
	,,	1	By Jones, Liverpool ..	1 10 0	1 10 0						
	,,	,,	,, Stamps	1 0 0			1 0 0				
	,,	,,	,, L. M. & S. Rly.	12 4						12 4	
	,,	2	,, Porters	2 6						2 6	
	,,	,,	,, Milk for Cat	3							3
	,,	,,	,, Coal	2 6							2 6
	,,	,,	,, Blotting Paper	4 0				4 0			
	,,	3	,, Cable	1 15 0					1 15 0		
	,,	,,	,, Office Boys	2 0 0		2 0 0					
			Etc.								
			Etc.								
			Etc.								
			Etc.								
				£32 15 4	£6 14 6	£9 0 0	£2 12 6	£4 9 4	£6 10 0	£2 14 8	14 4
	,,	31	,, Balance	17 4 8							
				C.B. 100	C.B. 100	C.B. 100	C.B. 100	C.B. 100	C.B. 100	C.B. 100	C.B. 100
£50 0 0				£50 0 0							
£17 4 8	July	31	To Balance								
32 15 4	,,	,,	,, Cash								

PETTY CASH BOOK

Dr. *Cr.*

Date.	Cash Book Folio.	Cash.	Particulars of Items.	Total.	Departments. A.	B.	C.	D.	Carriage.	Station-ery.	Postages and Telegrams.	Cables.	Incidental Expenses.	Travelling Expenses. A.	B.	C.	D.	General.	Donations and Sub-scriptions.	Special.	
			Order Numbers should be given where possible, and Voucher Numbers.																		For description of Special Items.

Sundry Cash Purchases of Goods and Materials for the respective departments. Petty Expenses incurred on their behalf.
Railway fares and expenses of Workmen fixing work at distant places, etc. (included in estimates or charged separately to customers).

For odd parcels brought by carriers. Monthly Ledger Accounts usually furnished by the Railway Companies.

For sundry items only. As far as possible contracts should be placed for supplies and dealt with in the Purchases Books.

Column only required in the case of firms doing a fair amount of foreign trade.

Travelling expenses are allotted to the different departments as far as possible, and the usual journeys undertaken by the travellers may be divided according to agreed proportions.
General Travelling Expenses would include expenses of directors attending board meetings, attending meetings of creditors, etc.

Includes Gratuities, Christmas Boxes to Carriers and others. Christmas Boxes to Staff and Workpeople passed through Salaries and Wages Books.

The totals of subsidiary Petty Cash Books kept by Juniors may be passed through this book at convenient intervals.
In the offices of large constructional engineers where the costing system forms part of the "double-entry" book-keeping ledger, folio columns are inserted so that the expenditure may be posted to the individual Contract Accounts. These postings are instead of the ordinary ones to "Purchases" and "Expense" Accounts of Departments, and the system is obviously elaborate.

OF

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auditor,
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Dr.

£	s.	d.
50	0	0

£		
50	0	0

£		
17	4	8
32	15	4

AUDITING

Continued from page 412

LESSON VI.

The auditor, having checked the Ledger balances with the list of balances, will agree the amounts in the detailed balance sheet with the list of balances, and the schedules. When a print of the balance sheet and profit and loss is obtained, he will finally "check off" the sums therein with the detailed balance sheet and Profit and Loss Account.

As we have previously indicated, manufacturing or trading accounts are not published for obvious reasons, and in some cases profit and loss accounts are not published beyond the form that we shall presently illustrate. The Profit and Loss Account (if it may be called by that name) may be found incorporated in the Directors' Report, as shown in form (*a*), or it may be presented in the form (*b*).

(*a*)

	£ s. d.	£ s. d.
From the Balance Sheet it will be seen that the balance of profit is ..		7,0896 12 0
From which deduct for—		
Depreciation on Buildings, 2½%	2,974 3 0	
,, on Plant and Machinery 10%, Loose Tools 5%	10,660 19 6	
,, on Office Furniture 10%	107 14 0	
	£13,742 16 6	
Directors' Remuneration	1,300 0 0	
Interest on Debentures	10,000 0 0	
Dividend in Preferences paid	7,500 0 0	
		32,542 16 6
Leaving a balance of		38,353 15 6
to which we add the balance brought forward from last year		6,615 0 3
		£44,968 15 9
which the Directors propose to apply as follows—		
To the payment of a dividend of 16s. per share on 35,000 shares, which is equal to 8% per annum free of income tax	28,000 0 0	
Transfer to Equalisation of Dividend Account	10,000 0 0	
Employees' Aid Account	500 0 0	
		38,500 0 0
Leaving a balance to be carried forward of		£6,468 15 9

Framing the foregoing in the form (*b*), we have—

PROFIT AND LOSS ACCOUNT.

	£ s. d.		£ s. d.
To Directors' Remuneration	1,300 0 0	By Profit in Trading	70,896 12 0
,, Debenture Interest	10,000 0 0		
,, Depreciation of Buildings	2,974 3 0		
,, ,, Plant and Tools ..	10,660 19 6		
,, ,, Office Furniture ..	107 14 0		
,, Balance to Appropriation Account	45,853 15 6		
	£70,896 12 0		£270,896 1 0

APPROPRIATION ACCOUNT.

	£ s. d.		£ s. d.
To Dividend on Preference Shares ..	7,500 0 0	By Balance of Profit and Loss A/c ..	45,853 15 6
,, ,, on Ordinary Shares ..	28,000 0 0	,, Amount brought forward from previous account	6,615 0 3
,, Equalisation of Dividend Account	10,000 0 0		
,, Employees' Aid Account	500 0 0		
,, Balance carried forward	6,468 15 9		
	£52,468 15 9		£52,468 15 9

BANKING

Continued from page 415

LESSON VII.

STAMP DUTY ON BILLS OF EXCHANGE.—Bills of exchange are liable to stamp duty in accordance with the following table—

	£	s.	d.
Bills payable on demand or at sight or on presentation, or at a period not exceeding three days after date or sight	0	0	2
Bills, other than the above, where the amount for which the bill is drawn does not exceed £10.. ..	0	0	2
Where the amount exceeds £10 and does not exceed £25	0	0	3
Where the amount exceeds £25 and does not exceed £50	0	0	6
Where the amount exceeds £50 and does not exceed £75	0	0	9
Where the amount exceeds £75 and does not exceed £100	0	1	0
Where the amount exceeds £100, for every £100 or part of £100 of the amount of the bill ..	0	1	0

An inland bill payable on demand, etc., or not more than three days after sight or date, may be stamped either with an impressed stamp or with an ordinary 2d. postage stamp. Any other inland bill must be stamped with an impressed stamp. In either case, the stamp must be affixed before execution of the bill, and if an adhesive stamp be used it must be properly cancelled by the person signing the bill.

A bill drawn out of the United Kingdom, payable on demand, etc., or not more than three days after sight or date, is stamped with a 2d. postage stamp. Bills drawn out of the United Kingdom and liable to *ad valorem* stamp duty must be stamped with foreign bill stamps. In either case, the stamps must be affixed by the first person into whose hands the bill comes, in the United Kingdom, before he disposes of the bill in any way.

A foreign bill, *drawn and expressed to be payable out of the United Kingdom*, which is actually paid, indorsed, or negotiated in the United Kingdom, is stamped as an inland bill, except that when the amount is between £50 and £100, a 6d. stamp only is required; and when the amount exceeds £100, a 6d. stamp is required for each fractional part of £100.

It may be noted that if a bill payable on demand, etc., or not more than three days after sight or date, is presented for payment unstamped, the person to whom it is presented may affix and cancel a 2d. stamp. Any person, however, who was liable for a penalty for failing to stamp such a bill is not thereby relieved from liability. It will be seen that these provisions cover the case of cheques. A banker, therefore, to whom an unstamped cheque is presented for payment may, if he choose, stamp it himself.

NEGOTIABLE INSTRUMENTS.—A bill of exchange is an example of what are known in legal language as "negotiable instruments." This means that if a bill be transferred from one person to another, the latter person obtains the right to receive payment according to the tenor of the bill, irrespective of whether the person transferring it himself had such right. The transfer may take place (1) by delivery only, if the bill be payable to bearer or be indorsed in blank, or (2) by indorsement by the person transferring it, together with delivery to the transferee. It is important to note that the transferee can only receive this right to payment if he takes the bill in good faith and without any knowledge that the transferor has no title to it, and if he gives value for it. If these conditions be observed, the transferee is termed the "*bonâ fide* holder for value without notice," and he obtains all the rights of receiving payment or of suing for payment, that the payee originally had.

It is thus evident, as we have already implied in the previous lessons on cheques and bills of exchange, that a bill may be bought and sold. Among other classes of people, bankers do a very large business in buying bills of exchange.

DISCOUNTING BILLS OF EXCHANGE.—The buyer of a bill is said to "discount" it, because he pays to the seller for it the face value less a certain sum called "discount." The discount is the fee charged by the buyer to the seller for paying cash in return for the right represented by the bill, to receive money at *a future date* (i.e. the due date of the bill). If a bank discounts[1] a bill for A., a customer, the first thing to settle in arranging the transaction is the "rate of discount" (i.e. the sum in consideration of which the bank would be willing to give A. cash in return for a bill of £100 due one year hence). If the rate were fixed at 5 per cent., this means that, supposing the amount of the bill were £100 and supposing that the period to run until the bill was

[1] The term "discounting" is commonly used as equivalent to "selling" as well as to "buying." Thus, a bank is said to discount a bill for a customer, and the customer is said to discount the bill with the bank, i.e. sell it to the bank. The former use is the correct one; the customer, in strict language, "has the bill discounted" by the bank. It is necessary to guard against confusion which may arise from this ambiguous use of the word.

due were a year, the bank would buy the bill for £95, being £100 the amount of the bill, less £5 discount for paying cash. The rate being fixed, the actual amount of the discount charged will depend on the amount of the bill and the time which must elapse before it becomes payable. If A.'s bill were really for £150, and if it were due seventy-three days after the date of discounting, the amount of the discount would be $£\frac{73}{365} \times \frac{150}{100} \times 5$, that is, £1 10s.; and A. would receive £150 less this amount, namely, £148 10s. In practice, the bank would credit A.'s account with £150 (the amount of the bill) and debit it with £1 10s. (the amount of the discount), so that A. would have the right to draw cheques to the amount of £148 10s.

It may be remarked that it is a slightly more profitable transaction to invest money by way of discount than by way of interest at the same rate. In our example, the outlay of the bank is £148 10s. and the remuneration it receives is £1 10s., which is at the rate of 5 per cent. per annum on £150, and consequently at the rate of rather more than 5 per cent. on £148 10s.

Having now shown how the discount on a bill is calculated, given the rate, we may proceed to discuss the circumstances which govern the fixing of the rate.

(1) In the first place, the rate will depend on the standing and respectability of the "parties" to the bill (i.e. the drawer, acceptor, and indorsers) all of whom, as we have seen, are responsible for the payment of the bill. A bill which bears the name of one or more firms or persons of undoubted respectability and credit is a very safe investment, and would, of course, command a *lower* rate of discount—that is, would be sold at a *higher* price —than one bearing the names of persons or firms less well known or of inferior credit.

(2) The second factor which goes to determine the rate of discount is the general level of the rates at which the lending of money, whether by way of discount or loan, is being done by the banks and financial houses, for the time being. This general level of rates depends on the relative willingness of would-be lenders to lend and of would-be borrowers to borrow; in other words, it depends on the relative strength of the demand and the supply of credit.

This subject of the price of loanable funds is one of considerable complexity, and cannot be fully discussed here. We must content ourselves with saying that, as far as the United Kingdom is concerned, the rate at which the banks and other firms which do this type of business, discount bills is governed to a large extent by the Bank of England Rate. The Bank Rate is the rate at which the Bank of England buys bills of the highest class, that is, bills which bear the names of at least two English firms of the highest standing. The rate at which the joint stock banks and other firms buy bills of a like class is always necessarily less than Bank Rate, because otherwise persons with such bills to sell would take them to the Bank of England rather than to the other banks. The rate for bills of inferior class is higher than, but, in the main, depends upon, the rate for the best bills.

The bills which a bank discounts for its customers are mostly trade bills—bills drawn by merchants or manufacturers on retailers to whom they have sold goods. They are not drawn on banks or wealthy City firms, and consequently do not command the finest rates. Before discounting such bills, a banker usually makes inquiries as to the standing and respectability of the acceptors; and should the answers he receives prove unsatisfactory, he would refuse to take the bills. In any case, he always requires his customer to indorse all bills offered for discount. If this were not done, the customer would not be liable were the bill dishonoured, except in the very unlikely event of its proving to be a forgery.

BILL-BROKERS.—The bills a bank discounts for its customers are, however, comparatively unimportant in amount compared with those it buys from a professional class in the City known as bill-brokers. These firms of bill-brokers are mostly old-established and of the highest repute, and their business consists chiefly in buying bills from persons who have bills to sell and in selling them to those who wish to buy. Foremost among the latter are the joint stock banks, which in the course of a year buy bills from the bill-brokers to the amount of several hundreds of millions of pounds. The bills in which the bill-brokers chiefly deal are those of the highest class, which are accepted and indorsed by banks and financial houses of undoubted stability. Most of these bills are drawn for the purpose of financing international trade. If cotton is shipped to Europe from Texas, or raw silk from Japan, or rice from Rangoon, or coffee from Santos, against each consignment bills representing the value of the produce will be drawn on a London firm. In most cases these bills are not drawn on the actual purchaser in Europe, but on one of the large London accepting houses—firms of merchants, that is, who have given up dealing in actual goods, and confine themselves to financing their transport. The advantage of this method of doing business is that if an exporter, say, of hides from Calcutta, can give evidence that he has made arrangements with one of these well-known and highly respected firms for the acceptance of bills drawn on them, his bank in Calcutta will buy the bills if accompanied by shipping documents proving that the goods have been duly shipped. This the bank can safely do, as it knows that bills drawn by arrangement on such a firm will be accepted by it, and that, once accepted, they are practically as good as bank notes. The Calcutta bank which has bought the bills will send them with the shipping

documents to its London office, which will get them accepted; and, as the accepting house is one of the highest credit, will hand over to it, on acceptance, the documents, against delivery of which alone the shipping company will surrender the goods. The London office of the Calcutta bank may then very likely desire to get cash for the bills, just as the exporter has done. In that case, it may sell them to a bill-broker. Before doing so, it will indorse the bills, which will thus bear the names of two houses of high repute, and will, therefore, be readily saleable at the best rates.

Of this class, then, are most of the bills that the joint stock banks discount for the bill-brokers. It is not usual to require brokers to indorse each bill they sell to a bank; as, however, they bind themselves by a general agreement with each bank with which they do business to indorse any bill if called upon to do so, their liability in respect of the bills is the same as if they had actually indorsed them. Against this liability they protect themselves as far as possible by making it their business to inform themselves minutely as to the exact standing of every house whose acceptances they discount. They thus acquire an expert and always up-to-date knowledge of the credit and position of all the accepting houses; and, in the event of any one of them becoming involved in difficulties, they nearly always get early news of the fact and protect themselves by refusing to take its acceptances.

These first-class bills of exchange are selected by the banks as an investment for a portion of their funds for two main reasons, though the yield per cent. is comparatively low. In the first place, they are exceptionally safe; and, secondly, they do not depreciate in value, but are repayable at their face value at a fixed and not long distant future date. In this respect, they compare very favourably with most of the Government loans and other securities that are dealt in on the Stock Exchange. Bills of exchange turn themselves automatically, so to speak, into cash as they become due. If, therefore, a banker knows that he will require a large sum of money, on a certain date, he can raise it most easily and economically by purchasing bills of exchange maturing on or about that date. When these bills are paid, he will depart from his usual custom of at once buying others to replace them, and will thus have the sum in hand that he required.

LOANS AND ADVANCES.—A large portion of the funds that a banker has entrusted to his care in the shape of deposits, shareholders' capital, and reserve funds, is always used for making loans to customers who require them and can comply with the conditions under which it is the custom of bankers to grant such loans. There are two principal conditions of which bankers always require the observance, except in very special cases These are—

(1) The deposit of security of approved type sufficient to cover the proposed loan.

(2) The advance to be regarded as temporary in character and not as a permanent loan.

1. The reason for the deposit of security is obvious. A banker does not, however, merely consider the nature of the security offered in deciding whether or not to grant an application for an advance. He does not desire to have the trouble and anxiety of realising the securities deposited, and, therefore, he is careful to lend only to customers of good character who appear to him to be conducting their affairs in such a manner as to render it likely that they will be able to pay off the loan within a reasonable time. On the other hand, in case his opinion should turn out not to be justified, he prefers to have securities which can easily and quickly be realised if occasion should arise. The securities which banks usually accept vary considerably in character, the chief being certificates representing Government loans, or shares or debentures of public companies, bills of exchange, dock-warrants and, occasionally, bills of lading, and title-deeds of land and buildings.

2. The funds of which banks have the custody consist largely of money placed on current or deposit account with them by customers. All this is repayable either on demand or at short notice. The only funds that a bank has at its disposal which are not so repayable are the capital subscribed by its shareholders, and its reserve funds, of which a substantial proportion is usually invested in bank buildings, strong-rooms, and fittings. Theoretically, therefore, practically the whole of a bank's money resources might be withdrawn within a few days. In the case of well-managed and sound concerns, such as the leading English joint stock banks, this is extremely unlikely to occur. Nevertheless there is always the possibility that considerable sums might be withdrawn at once: so that it is only prudent for the banks, in their turn, to be able to call in their funds at similarly short notice. Bankers attempt to make their loans also as "liquid" as possible by granting them for periods of rarely more than three months, at the end of which time they may be renewed for further similar periods.

We may now proceed to discuss in detail the various classes of security against which bankers are accustomed to advance money.

STOCK EXCHANGE SECURITIES.—First and most important is that class of securities which is dealt in on the Stock Exchange, and which for want of a better name we may describe as Stock Exchange securities. These securities are capable of a double classification, first, according to the nature of the security itself; and, secondly, according to the kind of document by which the security is represented. We will consider the various kinds of securities in our next lesson.

COMMERCIAL LAW

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LESSON XI.

AGENCY.

ITS NATURE.—The real business of an agent is to bring third persons into legal relationship with his principal. Speaking generally, there are but few exceptions to the rule that a man is entitled to employ another to do work for him which he himself might have carried out, unless he has bound himself to do any particular work and not to delegate the same to another. And it follows, as a natural corollary, that if an agent does not exceed the limits imposed upon him, the principal is always bound by the agent's acts, and in some cases the liability exists even when the limitations have been exceeded.

KINDS OF AGENTS.—It is impossible to enter into details as to the various classes of agents recognised in law. But the most common instances are brokers, factors, and auctioneers. Each of these is invested with certain powers; and so long as the ordinary course of business is pursued, the principal is bound by the act of any of them. Again, there is a division of agents into universal, general, and special. The first class is rarely met with, and can be dismissed at once. The other two are kinds of agencies which depend upon the particular circumstances connected with their creation.

CREATION OF AGENCY.—There is no particular form required for the appointment of an agent, though it is always advisable that the terms should, if possible, be committed to writing, so as to avoid differences. But it must be recollected that, in order to comply with the fourth section of the Statute of Frauds, if the appointment is to be for a year or upwards, a note or memorandum in writing is necessary, in order to render the appointment legally binding. If, however, an agent is to be employed to execute a deed, the appointment of the agent must be by deed.

But, apart from any special appointment, agency may arise from necessity. The most common examples given are those of a wife who has been deserted by her husband—she has authority to pledge his credit for necessaries, even against his wishes—and of a ship's master in a distant port, who is unable to communicate with the shipowners, and who is in urgent need of necessaries for his ship. Again, agency may arise from ratification, where a principal has allowed a certain course of conduct to be pursued for his own benefit, and has taken advantage of the same without any word of remonstrance on his part. This is a kind of implied agency.

A person acting as agent need not have that capacity to act as agent which he would require if he was acting as principal. The principal must always have the requisite capacity; and an infant principal cannot get rid of his legal incapacity by employing an adult agent, although an adult principal can always validly contract through the agency of an infant.

MUTUAL DUTIES.—Unless he is authorised to do so by his principal, an agent cannot delegate his duties to another. There is an exception, however, in those cases where custom or usage permits of this further delegation. The agent must carry out his duties to the best of his skill and ability; he must act on all occasions with good faith; he must keep strict accounts; and he must refrain from anything which is tainted with bribery and corruption. In connection with this last-mentioned matter, the provisions of the Prevention of Corruption Act, 1906, must not be lost sight of. On the other hand, the principal must pay to the agent the agreed remuneration, and must keep him indemnified against the consequence of all lawful acts done in connection with the agency.

RELATION TO THIRD PARTIES.—As regards third parties, the agent is only an intermediary between them and his principal, and the general rule is that he incurs no liability as to any contracts which he makes. Of course, it may happen that the third party or parties will not agree to look to anyone else than the agent; and, if this is made clear, it is the agent and not the principal who is liable under the contract. But this is, in reality, a special contract, into which the doctrine of agency does not enter at all. Apart from this exception, the principal is always entitled to all the benefits of contracts entered into by the agent, and this is the case even when the agent does not mention the name of his principal at the time of contracting. There are, however, numerous points of difficulty in this case which are too intricate to be discussed within the limits of this lesson.

TERMINATION OF AGENCY.—Agency is terminated (*a*) by the death or lunacy of either principal or agent; (*b*) by the agent renouncing his position; (*c*) by the effluxion of time, if a certain time was fixed; (*d*) by the completion of the particular business for which the agency was formed; (*e*) by the bankruptcy of the principal; (*f*) by agreement between the parties; (*g*) by revocation on the part of the principal.

In the last-named case, if the agency was a general one, the principal must take care to warn all third parties who have had dealings with the agent, otherwise they will be entitled to assume that the agency is still subsisting.

JOURNALISM

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LESSON X

BOOK-REVIEWING.—This is a class of journalistic work which ranges between two very widely-separated extremes. The highest type of book review is a form of literature in itself, and sometimes excels in quality the book which is its subject. It is usually done by men of high literary repute, or by authorities on special subjects who have a gift for literary expression in addition to their technical knowledge. At the other end of the scale are mere "notices" of books, more or less useless to the reader, and practically so to the publisher who directly or indirectly pays for them. On the whole book-reviewing is not taken very seriously nowadays except in the columns of specialized publications devoted to literary matters. Some of the best work of the kind is done by enthusiastic amateurs who have an itch to write, and feel more than repaid by being allowed to keep the books they review without any other fee. In doing such work the novice is well advised to shed cynicism and cultivate sympathetic appreciation and understanding of an author's object; also to discriminate between occasions when criticism is justifiable and when it is not. For example, the professional author who writes for profit invites and expects criticism, searching but honest. On the other hand, it is a useless cruelty to expose the faults of the amateur whose objects are impersonal, perhaps merely to serve the cause of charity. Further, don't think it derogatory to treat an eighteenpenny "shocker" on its merits as such; it does not pretend to be high art.

DRAMATIC AND MUSICAL CRITICISM.—This is not often paid for by editors, but is entrusted to suitably qualified amateurs when such are desirous of doing the work in return for free passes. It is governed by much the same general principles as apply to book-reviewing. Be sure you are technically qualified to judge dramatic and musical productions, or you may make yourself ridiculous. Constructive criticism is always better "copy" than the destructive variety. Remember Anatole France's definition of true criticism as "the adventures of the soul among masterpieces," and don't waste energy in slashing with a pasteboard sword among small fry.

FREE-LANCING.—The most seductive and dangerous line which the impecunious journalistic aspirant can adopt is free-lancing, or writing for the Press generally without relying on a staff appointment. As a means of livelihood it produces nothing at first, and is for long tragically uncertain. As a side line, on the other hand, it may provide pocket money and a liberal apprenticeship to the art of popular writing The successful free-lance has usually learned his trade and earned a reputation while holding a staff appointment. The safest course for the free-lance is to specialise. If employed in a grocer's shop, begin by sending contributions to the journals devoted to the grocery trade; if a sailor concentrate on topics connected with the sea. Don't be ambitious or "high-falutin'"; remember it is the concrete and practical which interest. If in business don't write an article worthy of Herbert Spencer on economic questions but try your hand with an article on "Packing for the Parcel Post." If you have a hobby or sport try to get some contributions in the journal which serves it. Practice by turning out "copy"—mostly unpaid—of local interest for acceptance by your local journals. These small beginnings may lead to bigger things. Keep a scrapbook in which to paste newspaper cuttings and other material likely to prove useful eventually. Also have a notebook in which to jot down ideas as they occur. If an idea will involve much work submit it first to the editor whom it is likely to suit. He will tell you whether it is worth proceeding with, and will probably give you some useful hints.

GETTING SUBJECTS AND MATERIAL.—This is always the beginner's difficulty. Uncertainty as to the market for "copy" makes him vague and uncertain in regard to possible subjects. Another of his difficulties is his desire to do something big and his reluctance to deal with small topics. Actually, there are subjects and material to be seen everywhere by the practised eye, but trained observation and imaginative insight are needed. Here is a suggestive example: You go into a restaurant and notice a man who has spilt some salt throw a pinch of it over his left shoulder, and a man sitting immediately behind him gets it inside his collar. There is an idea and an amusing opening for an article on "Unlucky Superstitions." The average newspaper is a gold-mine of suggestions, and public libraries are still richer in material, particularly as librarians are often walking encyclopaedias and are invariably ready to assist the journalist. Many subjects will suggest an interview with some authority or celebrity. Seek an appointment with such people boldly, especially if you can say that a certain editor has commissioned you. The one essential rule is to be topical and human, and to remember that it is your business to give the public what it likes and not what you think it ought to like for its own good. Whatever your subject, be informative. Facts usually interest more than the windy opinions of an unknown writer.

COMPANY SECRETARIAL WORK

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LESSON III.

PREMIUM ON SHARES.—In some cases, where a company has already been in existence for some time, and declared good profits, it is possible that new shares may be issued for which the company requires the payment of a sum greater than the nominal value (e.g. £1 shares may be issued at 22s. 6d.). This is called issuing shares at a premium. The amount of the premium (i.e. the difference between the nominal value and the price of issue) is considered, not as part of the paid-up capital, but as profit made by the company by the issue of shares. If, therefore, the company has an issued capital of £20,000, but actually receives £22,500 on the issue of its shares, its paid-up capital is still only £20,000, the remaining £2,500 being profit, which would probably be used to write down unproductive assets, or to form a reserve fund. It should be noted, however, that while shares may be issued at a premium, they may not be issued at a discount (i.e. at a price *less* than the nominal value).

SHARES.—Shares are the units into which the capital of a company is divided, and may be of any amount desired by the company; that is to say, the capital may be divided into shares of 1s., or even of ¼d., each, or may consist of shares of the value of £100 each, or more. In order to attract the small investor, however, it is the tendency nowadays to make the nominal amount of each share fairly small; £1 is a very common amount.

Classes of Shares. It is not necessary that the whole of the shares of a company should be placed upon an equal footing. The shares may be—and usually are—divided into different classes, each class conferring different rights upon the holders. A common division is into two classes, viz., "Preference" shares and "Ordinary" shares. Preference shares are those which, as their name implies, are entitled to preference over Ordinary shares in payment of dividend up to a stipulated amount, usually 6 per cent. If, therefore, the capital of the company is £20,000 divided into £10,000 6 per cent. Preference shares and £10,000 Ordinary shares, and the profits of the year available for dividend amount to £700, the holders of the Preference shares will claim £600, being the agreed 6 per cent. upon their capital, and the Ordinary shares will receive the balance of £100, making a dividend of 1 per cent. If the profits amounted to only £500, the Preference shareholders would not receive their 6 per cent., for it must be remembered that the 6 per cent. is the maximum, and not by any means a *guaranteed* dividend. A company can never declare a dividend, even to Preference shareholders, except out of profits, and if there are no profits there can be no dividends. The £500 profits would, therefore, suffice to pay a dividend of 5 per cent. on the Preference shares. This introduces another point. If the shares at the time of issue were not declared to be "non-cumulative," the balance of £100 would be carried forward as arrears of dividend due to the shareholders, and would, if the following year's profits were sufficient, entitle the Preference shareholders to a dividend of 7 per cent., being 6 per cent. for such following year, plus 1 per cent., arrears brought forward. If, however, the shares were "non-cumulative," the Preference shareholders would have no such right to receive the balance out of the profits of subsequent years.

In addition, however, to carrying a preference as to dividends, Preference shares may also, if expressly agreed at the time of issue, carry a preference over the Ordinary shares as to return of capital in the event of winding up. Where the Preference shares possess such a right, and the company is eventually wound up, after payment of the amounts due to creditors and debenture-holders the Preference shareholders have first claim upon the assets, and the Ordinary shareholders are not entitled to return of their capital until the Preference shareholders have been satisfied in full.

STOCK.—Sometimes we hear the word "stock" used in connection with the capital of a company. There is a great similarity between stock and shares in that both represent capital contributed by the shareholders, but there is also a great point of difference. A registered company may not, though a "statutory" company may, make an original issue of stock. It must issue its capital in the form of shares, and then, if so desired, convert the shares into stock, but before this can be done the shares must be fully paid up. The great difference, therefore, between shares and stock is that the former may be either fully paid or only partly paid, while the latter *must* be fully paid. Stock may usually be transferred from one person to another in the same manner as shares, though the Articles usually stipulate that no fraction of £1 (or sometimes of £10) may be transferred.

THE COMPANY AS A GOING CONCERN.—If the company is a "private" company, as defined and explained previously, it is, of course, prohibited by its Articles from inviting the public to subscribe for any of its shares or debentures. In the case of private companies, it is invariably the case that the whole of the capital required is already available without the necessity of appealing to the public. There is, therefore, no necessity

for the legislature to take such careful steps to safeguard the public as in the case of a company which is attempting to induce the public to take up its shares; and a private company consequently becomes entitled to allot its shares and commence business in real earnest as soon as the company receives its certificate of incorporation. In the case of a public company, however, much more elaborate measures have to be taken In order to induce the public to purchase shares, the company will need to issue invitations in the form of advertisements, notices, circulars, or in some similar form.

PROSPECTUS.—Such an invitation to apply for shares is known as a "prospectus," and the legislature has laid it down that the prospectus of any newly-formed company must disclose certain specified information, such as a copy of the Memorandum of Association, the minimum subscription upon which the directors may proceed to allotment, the name and address of the vendor and the amount payable to him, the amount payable to the promoter of the company, etc. Before any such prospectus is issued to the public, a copy, containing all the information required by the Act, and signed by every director or by his agent authorised in writing, must be filed with the Registrar of Companies and approved by him.

The drafting of the prospectus is a matter upon which the greatest care must be exercised, for, quite apart from the information which the Act requires to be given, the slightest misrepresentation or concealment of any material fact which would influence a person in making an application for shares—even though the result of a perfectly innocent oversight—will give the shareholder a right to claim from the company the return of his money, with interest at the rate of 4 per cent. per annum, or a right to damages against the directors or promoters personally.

In addition to its formal printing and circulation as a separate document, the prospectus of a company is often also printed in the newspapers by way of advertisement. Where this is done, the company is permitted to omit the copy of the Memorandum of Association and a few other particulars usually required. Where the company is a small one, it is often considered inadvisable to spend much money in advertising the prospectus, so that the newspaper announcement, instead of being a complete prospectus within the meaning of the Act (i.e. an invitation to subscribe), simply takes the form of an announcement advertising the fact that the prospectus has been issued, and concludes by requesting interested persons to apply to the company's registered office for a copy of the prospectus itself.

Non-prospectus Companies. In addition to the great classes of companies we have mentioned, viz., private companies and public companies, there comes, between the two, a small class of companies which may be described as semi-private, i.e. they are private companies, inasmuch as the capital is in comparatively few hands, and ready for subscription without the necessity of appealing to the public, yet they are public inasmuch as they do not propose to bind themselves by the restrictions which are placed on private companies in regard to the limitation of the number of members. As these companies do not invite the public to subscribe for shares, they do not, of course, issue a prospectus, and, therefore, cannot file a copy with the Registrar. They are, consequently, required to file a "Statement in lieu of Prospectus," which contains approximately the same information as that required to be disclosed in a formal prospectus.

APPLICATION FOR SHARES.—The prospectus, when issued to the public, is almost invariably accompanied by a form of application for shares, to be filled up by the applicant. The object of such a form is to secure uniformity in the applications themselves, and to protect the company by avoiding any looseness or ambiguity in the terms of the contract. But the use of such a form is not legally compulsory: an application in the form of an ordinary letter, or even a verbal application, would be quite legal. A standard form of application is, however, a very great convenience, both from the legal aspect and from a purely secretarial point of view, for it not only makes the terms of the contract perfectly clear and certain, but enables the clerical work of the company and of the company's bankers to be performed with greater efficiency and expedition. With these objects in view, the Council of the Institute of Bankers, acting in conjunction with the Council of the Chartered Institute of Secretaries, drew up, amongst other forms, a model Form of Application, which is now widely adopted. The form is of foolscap size (13 in. by 8½ in.), the receipt at the foot (intended to be detached by means of a perforation) being exactly a quarter of the whole form.

RECORDING THE APPLICATIONS.—It is in connection with the receipt of the applications that the secretary will first enter upon duties which can be described as purely secretarial.

The task of dealing with the applications and the making of the allotment requires very careful planning, and every possible detail must be arranged beforehand, in order that the issue may be a successful one and the allotment made as speedily as possible.

Where shares and debentures, or different classes of shares, are being offered simultaneously, it is always advisable, in order to facilitate the handling of the forms, that they should be of different colours —so that the different kinds of applications may be recognised at a glance, without the necessity of reading through the form.

Application for Shares with Receipt Form attached.

THE COMMERCIAL ENGINEERING COMPANY, LIMITED

SHARE CAPITAL - - - £20,000

Divided into 20,000 Shares of £1 each.

ISSUE OF 10,000 ORDINARY SHARES OF £1 EACH.

FORM OF APPLICATION.

No.----------

To the Directors of THE COMMERCIAL ENGINEERING COMPANY, LIMITED.

GENTLEMEN,

Having paid to your Bankers the sum of £---------- being a deposit of---------- per Share on Application for----------Shares of £----------each in the above-named Company, I/we hereby request that you will allot to me/us that number of Shares, and I/we hereby agree to accept the same or any less number that you may allot to me/us upon the terms and conditions of the Prospectus (dated----------) and Memorandum and Articles of Association of the Company, and I/we authorise you to place my/our name(s) on the Register of Members in respect of the Shares allotted to me/us.

To be written distinctly.

Name (in full)----------

Address (in full)----------

Profession or Business----------

(A Lady should state whether she is a Spinster, Wife, or Widow.)

Date----------19.. (*Signature*) ----------

This Form, when duly filled up as directed above, should be sent entire, with the necessary remittance, to the Company's Bankers, the Bank of London, Limited, 83 Lombard Street, London, E.C.

Cheques should be made payable to BEARER and crossed NOT NEGOTIABLE.

If altered from "Order" to "Bearer" the alteration should be signed by the Drawer.

The Applicant is particularly requested to write clearly, within the bordered space below, his or her name and the full address to which the receipt should be sent. For joint accounts the first name should be written within, and the other or others below the bordered space.

THE COMMERCIAL ENGINEERING COMPANY, LIMITED.

APPLICATION RECEIPT.

Name of First or of Sole Applicant. ----------

Address. ----------

Joint Applicants (if any) Names only. ----------

Received for account of the Commercial Engineering Company, Limited, from the person(s) whose name(s) is/are written in the margin, the undermentioned amount, being a deposit of-------per share on Application for Shares in the above-named Company.

For BANK OF LONDON, LIMITED.

---------- ----------

Cashier.

£---------- ----------19..

This Receipt, when returned by the Bankers, must be preserved by the Applicant to be exchanged in due course for the relative Share Certificate.

COMMERCE

Continued from page 472

XI.

TRUSTS AND SIMILAR CONCERNS.

The trust is a trading unit that gains a partial or complete monopoly of its business within certain areas. To accomplish this end, it uses means that are not always very creditable or fair. The commencement of a trust is usually a combine or a working agreement between rival houses.

At this stage, there is little to object to, as the regulation of prices within reasonable limits, provided it is always healthily checked by the actions of other firms not in the union, is a fair safeguard against unnecessarily fierce competition. Equally it is quite within the rights of two or more opposing firms to "pool" their interests and become one. Benefits may thus be secured to the partners and customers alike.

The next stage is frequently absorption. The new combination begins to buy up smaller or more effete opponents. As long as the purchase price is fair, and the sellers act without fear or pressure, little objection can be raised to all this.

Then comes the next step: Buying out under compulsion arising from the use of actual threats or a subtle combination of methods that reduces the smaller firm to a state of panic, and causes them to act under the influence of fear.

"If you don't come in, we'll smash you. We'll bring out imitations of all your lines at three-quarters the price. We'll ring around your district and tell our travellers to cut the trade to ribbons inside it." These are some of the suggestions made in actual words or by inference that have forced many a weak-pursed man to "take the cash in hand and leave the rest."

Then come the more objectionable phases of putting threats into action. American commercial history teems with such instances. Here are some of the improper things that have been done to "freeze out" a manufacturer or merchant.

His list of customers and particulars of the goods bought and prices paid have been obtained by bribery from his office, and forthwith these goods have been matched at prices under cost.

His customers have been notified: "If you buy from Jenkins, we shan't supply you."

His best workers and travellers have been tempted away by offers of increased salary.

Strikes and even fires have been arranged in his factory. Seizures of samples under Food and Drug Acts have been manœuvred. Reports have been circulated as to his standing. Merchants have been warned off supplying him, under threats of losing more profitable business. The control of railway and shipping companies has been obtained so as to hamper his operations.

These are among the bad records of some trusts. It is not inferred that they are invariable features.

The trust has not flourished as well in this country as in some others—notably the United States. Probably the chief reason for this is the special fiscal method of England.

A trust to be effectively worked requires the special protection of the law or of a tariff, or the general protection of heavy capital. Probably the underlying reason in all cases is the same.

No trade can become a really active and dangerous trust where a comparatively poor man can enter it with a little money and without interference. In this country certain trades lend themselves to a trust system.

There is the licensing trade. The small man who enters it is hampered from the start. He must obtain his licence before he sells a pint. He cannot open a shop anywhere, buy his beer at the cheapest brewer, and sell accordingly. He steps into a well-regulated close corporation, in which every point of vantage has already been seized and allotted, and where future increases of profit point the way to yet further amalgamations and co-operated movements.

There is the trade protected by Customs or Revenue. A good example is tobacco. The moment a large business passes into that condition in which a very heavy proportion of the cost of its material is the Government tax, it practically goes out of the hands of the small manufacturer. The cash payments to Government are too large; the rules and regulations necessary to its working are too rigid for the man who is working up a bit of a wholesale business in a back lane.

The trade that requires heavy and costly plant, or the control of produce markets abroad, is also easier for the trust maker than others.

The trust cannot live in any trade where one man, with a few assistants, can buy untaxed raw materials in the open market and, with his own labour, turn out finished products.

You will never, in present conditions, get a trust in the printing trade, for the simple reason that one man, working for himself in half a shop, can produce a thousand handbills at a price with which no big printing factory would care to compete.

The trust, to be successful, must be able to secure such an absolute monopoly that it can raise prices at will without the risk of bringing immediately a number of small competitors into the market.

CARD INDEXING AND FILING

Continued from page 469

LESSON II.

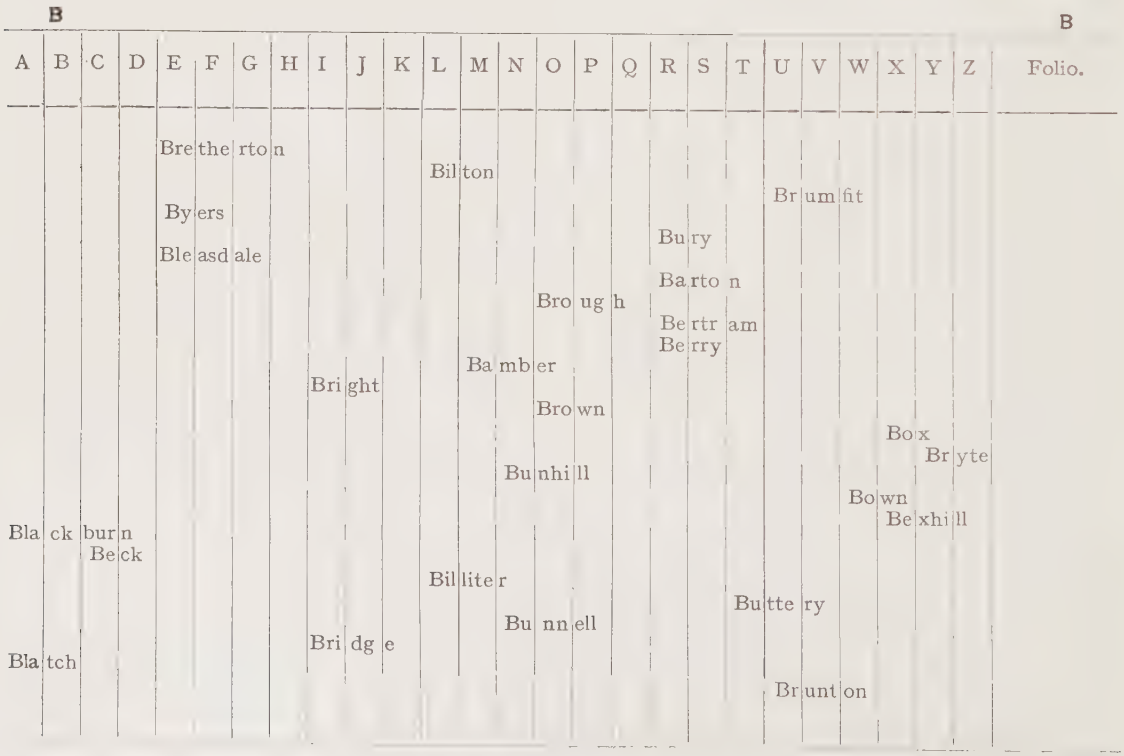
THIRD LETTER INDEX (*continued*). — In "Schlicht's Standard Index," one leaf is devoted to each of the combinations mentioned in our last lesson, so that "Cadley" would go on the first sheet and "Cardwell" on the third. The sheets are further divided into alphabetical sections, according to the Christian names, thus: "Albert Cardwell" would be found on sheet "Car" in the space reserved to the Christian names beginning with "A," whereas in looking for "Edward Carton" the seeker would at once look on that portion of sheet devoted to Christian names beginning with "E."

To attain the highest efficiency, however, we must abandon the old-fashioned book indexes even in their best form, in favour of the Card Index.

The example of a Third Letter Index, referred to in our last lesson, is given below.

DICTIONARY ORDER.—For indexing with each item separate from the rest on a slip or card, or for filing papers in a more scientific order, the correct dictionary arrangement is a vast improvement on those which we have explained. As every reader knows, the alphabetic order is followed for the initial, and then also for the second and subsequent letters; thus words commencing "ea" are all arranged before any commencing "eb," "ec," etc., and are also arranged alphabetically among themselves, thus: "each" before "eager"; "ear," "east," "eat" in order, and so on with the series; after which follow words commencing with "eb."

A glance in the *Post Office Guide* or a street directory will show that this practical arrangement has been followed there (e.g. we find Waterloo Road, Watling Street, Wauchope Street, Waverley Road, Webster Street, etc.). Arrangement under this natural order is very easy to understand, and reference under it is extremely simple. For general purposes, it is the best that can be devised. Experience has made us thoroughly familiar with it; and yet for a special reason which applies to names, which are the most numerous of the items indexed, the strict dictionary order will not suffice. This reason is that we have names of firms and companies, as well as names of individuals; sometimes only the initials



instead of the forenames of individuals ; and often many surnames alike : hence the dictionary order is modified. The compilers of directories would seem to have been moved by the words of an ancient writer : " In every affair consider what precedes and what follows, then undertake it."

DIRECTORY ORDER.—It must not be understood that there is one definite order called Directory Order. This is not so, as the compilers of directories deal in their own way with the problems connected with classification (e.g. examination will show that in some directories firm-names precede the names of individuals, while in other cases they are mixed ; that *and* as part of a name is ignored in some and considered by others ; that, in some cases, names having full forenames precede those having initials only for the forenames, while the reverse is the case with others). This variety of opinion only serves to show the necessity of practical instruction which may be relied on, so we formulate the following simple rules and illustrate them below—

1. Firm names (including names of companies, societies, institutions, etc.) should be kept apart from those of individuals;
2. They should precede those of individuals ;
3. They should follow the general alphabetic order, omitting consideration of *and* and *The ;* but
4. Names having initials *instead of* forenames should precede names having the same initials in forenames.

Now let us suppose that the common name Brown appears in our business affairs in the following twelve forms, and that we desire to index the names or file the correspondence in the order of our instructions : Brown & Sons ; Brown, A., & Sons ; Brown Brothers ; Brown & Jones ; Browns, Limited ; Brown & Jonas ; Brown & Brown ; Brown, Walter ; Brown, W., & Co. ; Brown, Albert, & Sons ; Brown, W. ; Brown, Ernest and Frank. In relation to themselves, the names will be found correctly arranged ; but twelve others are included for the sake of further illustration—

Brown, A., & Sons
Brown, Albert, & Sons
Brown, Arthur, & Co.
Brown, B., & Co.
Brown & Brother
Brown & Brothers
Brown Brothers
Brown & Brown
Brown, C. A., & Co.
Brown, Charles & Co.
Brown, E., & Co., Ltd.
Brown, E. A., & Co., Ltd.
Brown, Ernest & Frank
Brown & Jonas
Brown & Jones
Brown & Son
Brown & Sons
Brown & Sons, Ltd.
Brown, W., & Co.
Brown, W., & Cook
Brown, William, & Co.
Brown, W.
Brown, Walter
Browns, Ltd.

It will be seen that the names of joint stock companies take their places alphabetically according to the rules ; and that a similar, though not precisely the same, surname follows in order (e.g. Browns). There are a few more points which are illustrated. If several companies use the same name as the first word of their titles, the alphabetical arrangement is determined by the second name, of course ignoring *and* just as *The* is ignored, e.g.—

Preston Brewery, Ltd.
Preston Coach Works, Ltd.
Preston & Fulwood Nursery, Ltd.
Preston Ironfounders, Ltd.
Preston Soap Co., Ltd.
Preston & Wigan Transport Co., Ltd.

The following illustration will make perfectly clear the arrangement of names with initials before those of full Christian names, and also the alphabetical points of distinction between several examples of the same name. This time we take the common name " Johnson "—

Johnson, A.
Johnson, A. B.
Johnson, A. S.
Johnson, Albert
Johnson, Arnold
Johnson, B.
Johnson, B. W.
Johnson, Ben.
Johnson, Benjamin
Johnson, Benjamin James
Johnson, C.
Johnson, C. A.
Johnson, Charles
Johnson, Chas.
Johnson, James
Johnson, John (Aberdeen)
Johnson, John (Bolton)
Johnson, John (Manchester)

This example shows that abbreviations, such as Ben., Chas., etc., as they stand, follow the correct alphabetic order.

Before seeking guidance on indexing with cards and on filing, the student should thoroughly grip the preceding instruction on arrangement.

THE CARD INDEX.—In commencing our explanation of the Card Index, it should be stated that the term " Indexing " has two meanings. One is that which is associated with *précis* writing in Civil Service and other examinations : it is the arranging of the particulars of a correspondence in schedule form, with a brief indication of the contents of a correspondence in one of the columns provided. Such schedules are similar to the Letter

Register known to business; but, although other particulars are given, the emphasis is put upon the use of the schedule in informing one of the subject-matter of the letters. According to the other meaning of the term, an index in the very great majority of cases does not so much indicate *what* documents contain as *where* documents, correspondence, accounts, etc., may be found. Indexes of books tell us on which page we may find references to certain subjects; and the value of books, such as treatises on science, law, etc., is very much enhanced by the inclusion of a well-arranged index.

(The student should note that "Indices" is the plural of the mathematical "Index," and should not be used in relation to our subject.)

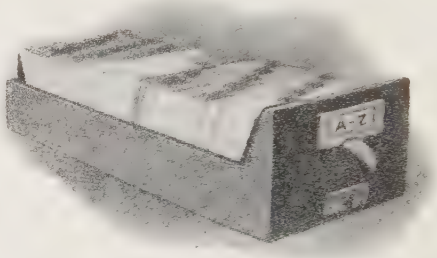
Just as such indexes as we have mentioned are important for expediting references to matter contained in the books, so the business indexes are important for enabling one to call up letters, accounts, etc., and the more efficient the method of indexing, the more time is saved in referring to the papers afterwards.

We have already shown how book indexes may be elaborated, but a brief examination of those in actual use will convince anyone that they have serious defects. Let us take, for example, a Sales Ledger Index, which may be either an integral part of the Ledger, or, preferably, a loose book. In practice, strict alphabetical order cannot be observed, because of the necessity of including the names of new customers and the striking out of the names of former customers. The fact that the latter cannot be taken out increases the difficulty of reference, and causes the book to lose its neatness and order. What business man has not been irritated in wading through pages having obliterations, interlineations, errors, alterations, and erasions galore? Again, these defects comparatively soon make it necessary to open a new index book and re-write all the "live" items.

All the disadvantages, however, can be overcome by the use of cards; but can the cards, which have each but one entry—of course, alphabetically arranged—be scanned, and a name and number found as expeditiously as we can turn over and run the eye up and down the page or pages of a book? Many years ago, when the writer first saw the Card Index in use—though aware of all the other advantages—he felt sceptical about this point; a trial, however, soon convinced him that the Card Index had the extra advantage of facilitating reference.

As will have been gathered, the Card Index has every separate item written or typed upon a card. These cards are arranged alphabetically or numerically in a tray, drawer, or box—a triangular-shaped sliding block at the back, with the apex upward, keeping them sufficiently upright to make reference easy.

Its advantages correspond to the disadvantages of the book index. In the index drawer there are no blanks; strictly alphabetical arrangement can be preserved at all times—an especial advantage when adding fresh cards. "Dead" cards may be removed, so making it possible to handle only "live" ones; the opening of new indexes is dispensed with; reference is facilitated; and the cards may be used as an index to more than one class of document. They serve also for addresses—including telegraphic addresses and telephone numbers, codes used, and important details, such as credit allowed, discounts, terms, limitation of credit. In fact, information



ALPHABETICAL CARD INDEX DRAWER (LIBRARY BUREAU, LTD.).

on any subject can be preserved by this means. The Card Index thus takes the place of the old Address Book, the disadvantages of which have been shown in our references to the Ledger Index.

It is commonly thought that the Card Index is an American discovery, but this is not so. It is not absolutely certain who was the first user, but to a Frenchman—the Abbé Rozier— is generally ascribed the honour of having been the first to apply cards to the purposes of indexing. He undertook the work of classifying and indexing the publications—extending over 100 years—of the Academy of Sciences at Paris, and he employed cards for the purpose. Afterwards for library purposes cards were commonly used in England and Ireland.

Guide cards were the invention of a London librarian, and this was a great advance. Separate cards made classification simple, and simplicity is the very fundamental of the Card Index. But the step from the simple application of cards for the compiling of an index of books, to the application of cards themselves to form the index, was one of far-reaching importance to the business world. Of course, it is true that to America is due a large share of credit for extending the use of cards to business.

In our next lesson we propose to deal fully with the use of the Card Index.

INSURANCE

Continued from page 464

LIFE ASSURANCE.

LESSON I.

INTRODUCTORY.—A life assurance contract in its simplest form consists of an agreement between two parties whereby the first (the assurer) agrees to pay a specified sum of money on the death of the second (the assured), who, in return, agrees to pay a certain smaller sum annually until such event takes place. The fixed sum payable on the death of the assured is called the "sum assured," and the fixed annual payment the "premium."

The assurer is nearly always a company specially formed for transacting assurance business; the assured is naturally a private individual.

The first step towards the formation of a life assurance contract is the completion of a "proposal for assurance" by the person desirous of assuring his life. This is a printed form supplied by the assurance office, and consists of a list of questions regarding the age of the life, his occupation, past illnesses (if any), family history (i.e. present ages of parents and brothers and sisters who are living, and the age at death and cause of death in respect of any who may be dead). Particulars of any existing assurances on the same life are required, and also details of the present proposed assurance. The proposer is also required to sign a declaration that his answers to the questions asked are true, and that the truth of the answers shall be the basis of the contract.

The proposal is scrutinised by the officials of the office, and provided the proposer, after examination, is favourably reported upon by their medical officer, the offer is accepted; and a formal document embodying the terms of the contract (the policy) is drawn up and handed to the proposer, who now becomes the assured.

The first premium is due at the beginning of the assurance, and subsequent premiums become payable at intervals of one year or, it may be, at half-yearly or quarterly intervals.

Assurance offices make a practice of issuing a reminder to their policyholders just before each premium falls due, and, on payment, a formal receipt for the money is given. The policy itself is the receipt for the first premium.

So far, the "life assured" and the "assured" have been regarded as the same person, that is, the life whose failure renders the sum assured payable and the person whose estate will benefit by the assurance have been assumed to be identical. This is, however, by no means necessary. It is possible, with certain legal restrictions, for one person A. to take out a policy providing for a sum to be paid to him on the death of another (B.). Here, A. is the "assured" and B. the "life assured," or, shortly, the "life." B. has not necessarily any pecuniary interest in the contract, and it would be quite possible, if the assuring office thought fit, to keep him in ignorance of the assurance.

DIFFERENT FORMS OF LIFE ASSURANCE.—Life assurance policies fall naturally into two great divisions: the "with profit" class and the "non-profit" class. In both cases, the sum assured at the outset is fixed; but in the former this is increased from time to time by additions called "bonus," resulting from allocations of a portion of the profits made by the office to the with-profit class of policyholders. The non-profit class does not share in this allocation. Obviously, other things being equal, the annual premium for a with-profit policy is greater than that for a non-profit policy in the same office; but, as a general rule, it may be stated that in a prosperous office it is more advantageous to take a with-profit policy, the extra amount of premium payable being more than returned by the value of the additions to the sum assured in the form of bonus.

Within the above-named classes there is a multitude of different forms of assurance, many of which appear in both divisions. The "whole life" policy is payable on the death of the life assured; and the premiums may be either payable until such death occurs, or "limited" to the first 5, 10, 15, or 20 years of the currency of the contract, in which case, if the life assured survives the period selected, there is nothing more to pay on the policy, which, of course, remains unaltered as regards the benefits secured under it. The limited payment form is very well suited to the needs of the individual whose income depends on his personal exertions, as the premiums have not to be met in old age—when, presumably, the earning powers are diminished—provided the limited period has been judiciously chosen.

The "endowment assurance" policy, which is now the most popular form of all, provides for payment of the sum assured at a fixed age (or, alternatively, at the end of a fixed term of years) should the life survive the selected period. Should, however, the life die within the period, the sum assured immediately becomes payable. This type of policy thus combines a provision for the later years of life, with assurance against premature death. The premiums are usually payable until the determination of the contract by either death or survival; but, if desired, they may be limited to a comparatively short term of years, as in the case of the whole life assurance.

Both the whole life and the endowment assurance form of policy may be made to depend on a single life or on two or more lives jointly. In the latter case, the sum assured is payable on the death of the first of the joint lives. Thus, husband and wife may effect a policy on their joint lives, payable on the death of either to the survivor.

A certain form of endowment assurance is offered by many offices under which the sum payable on the survival of the life to the end of the selected period is double that payable in the event of earlier death. This is appropriately termed a "double endowment assurance"; and it has the peculiar feature that lives of all ages, within certain limits, can be taken at the same rate of premium, provided the same term of years is chosen. Thus, a life aged 16 and one aged 40 will be charged the same annual premium for such a policy payable at the end of 20 years or at previous death, the same sum being assured in either case. Ordinarily, of course, the rate of premium for a given life assurance increases as the age at commencement of assurance increases.

The "temporary" assurance is a contract intended only to exist for a short term, ranging from 1 to 7 years. If the life dies within the term selected, the sum assured is payable; but if he survives the term, the policy is at an end. The "contingent survivorship" assurance is made on two lives, A and B, the sum assured being payable only if A dies before B; if B dies before A, the contract is immediately at an end. The "last survivor" assurance is made on two or more lives, and is payable only on the last death.

CALCULATION OF PREMIUMS.—An individual or company acting as assurer in respect of a single life assurance contract would be undertaking a highly speculative matter, which might result in great loss or great profit, according as the life died early or late.

On the other hand, we see numerous companies and societies, certainly managed with the utmost prudence and financial skill, making it their sole business to grant assurances; and they pursue their even course, year after year, with no violent fluctuations in income and outgo.

The reason for this is not far to seek. Although the length of an individual life cannot be foretold, but is in the highest degree uncertain, on the other hand, when a body of people sufficiently large is considered as a whole, the numerical distribution over the future years of the deaths which will occur, can be foretold with considerable accuracy. Repeated investigations have proved that, both for the general population and for persons whose lives are assured, out of a large number of individuals all presently of the same age, the proportion who die before they attain the next higher age is a quantity which does not fluctuate very much from investigation to investigation. Thus, the "rate of mortality" for each separate year of age is a definite quantity, deduced from past experience, which will give reasonably accurate estimates of the future deaths which will arise from an existing body of lives of known present age.

The rates of mortality experienced by the population of England and Wales have been investigated six times. Assurance offices have also examined their mortality experience three times collectively in the United Kingdom, and singly in numerous cases, with similar results.

If an individual is under an obligation to pay away a certain sum at the end of a definite term of years, say, ten or twenty, obviously he can provide for this by investing now a smaller sum at compound interest, trusting to the interest which will be earned to make up the difference.

The smaller sum, invested now, is called the "present value" of the larger sum to which it will accumulate at the end of the specified term of years, and is its financial equivalent. It is to be noted that the present value is affected by the rate of interest realised by the investor; and with regard to a fixed sum of money due at the end of a fixed term of years, the present value diminishes as the rate of interest assumed to be receivable in the future is increased.

An assurance office knows that if it makes a sufficient number of assurances to secure an average mortality experience, the falling in of those assurances by death can be predicted with considerable accuracy. To take an extreme, but simple, example, if it issued 469 policies all on lives aged 93, then, basing its mortality on a standard table, it would expect 195 deaths in the first year of assurance, 139 in the second year, 86 in the third year, 40 in the fourth year, and 9 in the fifth year—all being now dead. Knowing where the deaths will fall, according to the standard table, it is a simple matter to calculate at a specified rate of interest the present value, at the date of the issue of the 469 policies, of each year's claims, supposing them to be paid at the end of the year of death. It will be found that, taking interest at 3 per cent., the present value of the claims is £189 + £131 + £79 + £36 + £8, or £443. This is the total present cost of the 469 assurances; and, by division, the cost of each separate assurance is £·945 or 18s. 11d. This is termed the "single premium" for an assurance of £1 on a life aged 93 at entry. Of course, in practice, policies are not issued on lives aged 93 at entry; but the process exemplifies, with comparatively few figures, the method of calculation for younger ages. It will be noticed that the single premium is not much less than the sum assured. This is because all the lives die in a very few years, and there is accordingly little opportunity for interest to operate. The single premium for a similar assurance on a life aged 30 is only 7s. 10d., and for a life aged 50, 11s. 4d.

Photo *Elliott & Fry*

MR. G. A. WILLS

Chairman, The Imperial Tobacco Company (of Great Britain & Ireland), Ltd.

LEADING INDUSTRIES

Continued from page 465

TOBACCO

HISTORY.—There has been considerable speculation as to the origin of the tobacco plant, but it is now generally accepted that it is a native of the New World. As to the word " tobacco," this seems to have been derived from the name of the peculiar apparatus used by the natives of San Domingo in smoking the herb, which was a kind of nostril tube. Introduced into Europe early in the sixteenth century, tobacco became well known in England in 1565, and smoking soon grew to be very popular. Shortly afterwards, however, the new practice was banned not only in this country but also in other countries, and it was only when the repute of tobacco smoke as a disinfectant became known that smoking revived. Towards the end of the eighteenth century the habit of taking snuff was general and smoking declined, but the change was only temporary ; and the enjoyment of the leaf in its best form reasserted itself. The cigarette did not appear in England until after the period of the Crimean War. The commercial importance of tobacco will be at once recognised when it is mentioned that the duty received from tobacco and snuff amounts approximately to £60,000,000 annually. The total imports of tobacco into the United Kingdom for 1923 were 174,700,456 lbs.

SOURCES OF SUPPLY.—The article of commerce is prepared from the leaves of several species of Nicotiana—so named after Jean Nicot, the French ambassador at Lisbon in the middle of the eighteenth century, who did so much to advance the use of tobacco—a genus of plants belonging to the natural order *Solanaceae*, a family which includes the tomato, potato, egg-plant, deadly night-shade, and many other well-known plants. There are upwards of forty species of the Nicotiana plant, but those of which the leaves are used for smoking purposes are few in number. In fact, the great bulk of the world's supply of tobacco is derived from the *Nicotiana tabacum*, which is extensively cultivated in the United States, Cuba, Sumatra, the Philippine Islands, and also in Holland, Germany, and France. Another species is the *Nicotiana rustica*, from which the tobaccos of Latakia, Turkey, and Manilla are derived. Only one other kind of plant needs notice, namely, the *Nicotiana persica*, the source of the highly-prized Persian tobacco, which makes a delicate smoke in a hookah or water pipe. Though the tobacco plant can be grown in many parts of the world, the vast bulk of this commodity comes from the United States. Its cultivation in the United Kingdom has only been attempted to a very limited extent, the climate being generally unsuitable.

CULTIVATION AND PREPARATION.—The properties of tobacco vary according to the climate, the soil, and the conditions of cultivation. The nicotine—the liquid volatile alkaloid which is the active principle of tobacco—determines to a very large extent the strength of the article ; but its aroma and flavour are due to the essential oils of the leaf and in the case of some special growths, such as Latakia, to the aromatic substances used in the processes of curing and fermentation. The growing requires very careful and skilled attention, as it is essential that the leaves should receive all the nourishment of the plant. In due time the leaves are gathered and dried. This drying process varies in different parts of the world, being carried out either by sun heat or by artificial heat in curing barns. After this drying process the leaves are allowed to lie in heaps, covered with matting, for some weeks. During this period of what is known as " sweating," the leaves are turned every day, and a slight fermentation takes place. When this has been sufficiently carried out, they are sorted, pressed, and packed in barrels or bales for exportation. The subsequent treatment depends upon the kind of tobacco which is required. There are many different kinds of tobacco and each requires a different manufacturing process. Shag, Navy Cut, Cavendish, Thick and Thin Twist, are some of the best-known varieties.

CIGARS.—In the manufacture of cigars the midribs of the dried leaves are first of all removed, and then the leaves are moistened with water, and rolled round smaller fragments into cylindrical form. In order to obtain good cigars, different growths have to be used for the outer and inner portions of the cigar. The best cigars come from Havana, in Cuba, and are manufactured from the tobacco grown in the district. Cheroots come principally from Manilla, in the Philippine Islands. Latterly, Mexican and Brazilian cigars have come into favour, as well as a cheap variety obtained from India, but, with the exception of the really high-class Havana cigars, probably the best cigars are now made in the United Kingdom.

CIGARETTES.—As already stated, these first became known in England about sixty years ago. Originally they were made almost exclusively from tobacco grown in Syria. Now all kinds of tobacco are used, by far the greatest demand being for the Virginia leaf, of which all the most popular brands are made.

MEMORY

Continued from page 425

V.

FORGETFULNESS.—It will have been perceived by this time how all-important is the relation in which attention stands to other sides of mental activity. What is the root of most of our forgetfulness and, on that account, the source of by far the greatest amount of our daily troubles? It is inattention, which is another word for the failure to keep clearly and sharply before the focus point of the mind that to which we should be attending. But there is little mind-wandering where the memory is good and the power of fixing the attention upon the matter in hand has been carefully trained. And although it is not possible to concentrate the mind upon a given point for a protracted period, we all know from experience that a few minutes of this higher type of attention yields far richer results than an hour of the half-fixed, wavering attention which many students foolishly rely upon to get them through their work.

At the outset, we defined attention as one of the fundamental powers of the mind. Modern psychology—the science of behaviour—accepts attention as a cardinal fact of the will, and its intimate connection with habit and with will should be clear to all who have given any thought to the growth and control of these powers. Half the battle in willing and accomplishing an act is soon won if we are able fixedly to attend to the idea of that act.

ASSOCIATION.—In the case of association, we have a kind of mental clearing-house method whereby impressions are connected with each other and organised into groups. Though we are not aware of it, this process influences well nigh every part of our mental life, and it is the more pervasive, since it is so largely unconscious. Here we shall see the reason for the short description of the nervous system, which appeared in an earlier lesson. There it was stated that the surface of the brain was made up of nerve cells, and that these cells became excited as a result of experiences. This means that the parts of the brain or sets of cells so involved are permanently altered. If two sets of cells be excited together, or near to each other, and one set is later excited again, then the other will most probably be excited also. This connection between the two centres of brain action we call association. The nerve tissue acting in this way means, in practical life that impressions—the results of the excitation of the nerve cells—are not, generally speaking, so many separate mental records stored up independently of each other. "Whatever appears in the mind," says Professor James, "must be *introduced;* and, when introduced, it is the associate of something already there." Were it not for this potent agency of association, whereby the mind collects and classifies the daily experiences and impulses of life, we should have a dislocation of all thinking processes which is scarcely conceivable. If these paths between one centre of brain cells and another did not exist, our thinking, instead of having the smooth rapidity of the fastest modern express train, would have the slow, jolting movement of a local service train, with its long stops at the numerous stations.

It has now been fully established that brain parts which are active together simultaneously have a tendency to form links of connection, called associative paths, so that the moment one of these parts becomes again active, the other part is started into activity. It is to this connecting power that the name of "association" is applied. Stated more simply, association is the mental process through which one image in the memory calls up another image and this a further image, thus giving us a more or less connected series of revived images; so that these images and the recalled facts for which they stand pass in succession before us.

We thus see how erroneous is the idea that the memory is a kind of store room into which records are deposited and separately housed. On the contrary, almost every impression which enters the mind is more or less closely related to some other impression present there. The entering impression is straightaway linked up with that which is already in the mind, and re-call always takes place through one or other form of association.

Association enabling us quickly to combine and to unify the several impressions around a central theme, we are thus able to make easy transition from one point to another; and our proceeding from theme to theme, in this way, makes up our thinking processes. Not the least valuable characteristic of association is the faculty it gives us of discarding irrelevant things. The rightly-trained mind leaps over a host of unnecessary steps and, economising the energy which might be expended in going over these, goes with one swift movement to its object. This power is seen in a high state of development in the case of the trained mathematician or other scientist whose solution of a problem or statement of a theory is clear and logical and wholly devoid of any irrelevance. The wearisome person whose loosely constructed accounts of things are full of numberless unimportant details is in marked contrast.

COMMERCIAL FRENCH

Continued from page 478

KEY TO EXERCISES IN PART 10 (p. 478).

1. The whole will be ready as soon as possible so as not to lose you the sale (*or* so that you shall not miss the sale).
2. We will cover you if you think it desirable, by a draft at thirty days.
3. I shall be glad to hear that the goods have arrived in good condition.
4. We will talk about it later (on), but you will find all information on the annexed memorandum.
5. We shall shortly write to you again at greater length about this subject.
6. If you (will) glance at the price list you will see that our figures are reasonable.

1. *C'est un de nos meilleurs clients ; il envoie des commandes* (or *ordres*) *considérables et il paye comptant.*
2. *Cette dépêche n'est pas très claire ; nous devrons faire répéter plusieurs des mots.*
3. *Les marchandises que vous offrez sont invendables sur notre place ; elles pourraient* (lit. *peuvent*) *convenir à une région minière.*
4. *Nous pouvons vous assurer que l'entreprise sera très avantageuse* (or *profitable*) *si vous agissez tout de suite.*
5. *La faillite de cette maison était imprévue; (certes), nous ne la croyions pas possible.*

LESSON XI.

RELATIVE PRONOUNS.—The Relative Pronouns in French are—

qui (nominative)		who, which, that
que (accusative)		whom, which, that
lequel	(masc. sing.)	which
laquelle	(fem. sing.)	which
lesquels	(masc. plural)	which
lesquelles	(fem. plural)	which

They are declined with *à*, to OR at; and *de*, of, as follows—

Nominative	— *qui*	who, which
Genitive	— *de qui*	of whom, whose
,,	— *dont*	of which, whose
Dative	— *à qui*	to whom
Accusative	— *que* or *qu'*	whom, which, that

NOTE that *de qui* is used for persons only; *dont* is used for persons and things.

An easy way to remember whether *qui* or *que* is to be used is, that if the relative pronoun comes **next** to the verb in the **English** sentence, it must be translated by *qui ;* but if the relative pronoun is separated, by one or more words, from the verb in the **English** sentence, it must be translated by *que* or *qu'*.

EXAMPLES.

La maison **qui** *est dans la rue*
The house which is in the street.
La maison **que** *vous avez vue*
The house which you have seen.
L'homme **de qui** (**dont**) *vous parlez*
The man of whom you are speaking.
L'échantillon **dont** *vous parlez*
The sample of which you are speaking.
L'associé **a qui** *le gérant parle*
The partner to whom the manager is speaking.

Lequel, laquelle, lesquels, and *lesquelles* are also declined with *à* and *de* (as shown below).

These pronouns are used after prepositions. If *qui* is used after a preposition, it can only refer to persons. *Lequel, laquelle,* etc., must be used in reference to things.

Voici le commis à qui j'ai donné la facture
Here is the clerk to whom I gave the invoice.
Voilà la rue dans laquelle vous trouverez la maison
That is (there is) the street in which you will find the house.
Où avez-vous mis le papier sur lequel vous avez écrit l'adresse ?
Where have you put the paper on which you wrote the address ?

IRREGULAR VERBS.—

Pres. Infinitive	— *croire*	to believe
Pres. Participle	— *croyant*	believing
Past Participle	— *cru*	believed
Pres. Indicative	— *je crois, tu crois, il croit, nous croyons, vous croyez, ils croient.*	
Imperfect	— *je croyais, tu croyais,* etc.	
Preterite	— *je crus,* etc.	
Future	— *je croirai,* etc.	
Conditional	— *je croirais,* etc.	
Pres. Subjunc.	— *que je croie, que tu croies, qu'il croie, que nous croyions, que vous croyiez, qu'ils croient.*	
Imperf. Subjunc.	— *que je crusse,* etc.	
Imperative	— *crois, qu'il croie, croyons, croyez, qu'ils croient.*	

	SINGULAR.		PLURAL.		
	MASC.	FEM.	MASC.	FEM.	
Nom. and Accus. ..	*lequel*	*laquelle*	*lesquels*	*lesquelles*	who OR which
Genitive	*duquel*	*de laquelle*	*desquels*	*desquelles*	of whom OR of which
Dative..	*auquel*	*à laquelle*	*auxquels*	*auxquelles*	to whom, to which

NOTE. Compare this verb with *croître*, "to grow," in the ninth lesson. Wherever the two verbs are conjugated in the same way, a circumflex accent (^) is placed over *i* and *u* in the verb *croître*.

mettre	to put, put on	Conjugated like *mettre*
admettre	to admit	
commettre	to commit	
compromettre	to compromise	
se compromettre	to compromise oneself	
démettre	to dislocate	
se démettre	to resign	
émettre	to emit, issue	
s'entremettre	to interpose, intervene, meddle	
se mettre à	to commence	
omettre	to omit	
permettre	to allow, permit	
promettre	to promise	
remettre	to put back, replace	
soumettre	to subdue, submit	
transmettre	to convey, transmit	

Pres. Infinitive — *mettre* to put, put on
Pres. Participle — *mettant* putting, putting on
Past Participle — *mis* put, put on

Pres. Indicative — *je mets, tu mets, il met, nous mettons, vous mettez, ils mettent.*
Imperfect — *je mettais*, etc.
Preterite — *je mis*, etc.
Future — *je mettrai*, etc.
Conditional — *je mettrais*, etc.
Pres. Subjunc. — *que je mette*, etc.
Imperf. Subjunc. — *que je misse*, etc.
Imperative — *mets, qu'il mette, mettons, mettez, qu'ils mettent.*

lire	to read	Conjugated like *lire*
élire	to choose, elect	
prélire	to read over previously	
réélire	to re-elect	
relire	to read again	

Pres. Infinitive — *lire* to read
Pres. Participle — *lisant* reading
Past Participle — *lu* read

Pres. Indicative — *je lis, tu lis, il lit, nous lisons, vous lisez, ils lisent.*
Imperfect — *je lisais*, etc.
Preterite — *je lus*, etc.
Future — *je lirai*, etc.
Conditional — *je lirais*, etc.
Pres. Subjunc. — *que je lise*, etc.
Imperf. Subjunc. — *que je lusse*, etc.
Imperative — *lis, qu'il lise, lisons, lisez, qu'ils lisent.*

naître	to be born	Conjugated like *naître*
renaître	to revive, be born again, to spring up again	

Pres. Infinitive — *naître* to be born
Pres. Participle — *naissant* being born
Past Participle — *né* been born

Pres. Indicative — *je nais, tu nais, il naît, nous naissons, vous naissez, ils naissent.*
Imperfect — *je naissais*, etc.
Preterite — *je naquis*, etc
Future — *je naîtrai*, etc.
Conditional — *je naîtrais*, etc.
Pres. Subjunc. — *que je naisse*, etc.
Imperf. Subjunc. *que je naquisse*, etc.
Imperative — (no Imperative for the verb *naître.* *renais, qu'il renaisse, renaissons, renaissez, qu'ils renaissent.*

prendre	to take	Conjugated like *prendre*
apprendre	to learn, teach, hear of	
comprendre	to understand, include	
déprendre	to disengage, loosen	
désapprendre	to unlearn	
entreprendre	to undertake	
s'éprendre de	to take a fancy to	
se méprendre	to mistake	
rapprendre	to learn again	
reprendre	to take back, to chide	Conjugated like *prendre*
se reprendre	to correct oneself	
surprendre	to astonish, to surprise	

Pres. Infinitive — *prendre* to take
Pres. Participle — *prenant* taking
Past Participle — *pris* taken

Pres. Indicative — *je prends, tu prends, il prend, nous prenons, vous prenez, ils prennent.*
Imperfect — *je prenais*, etc.
Preterite — *je pris*, etc.
Future — *je prendrai*, etc.
Conditional — *je prendrais*, etc.
Pres. Subjunc. — *que je prenne, que tu prennes, qu'il prenne, que nous prenions que vous preniez, qu'ils prennent.*
Imperf. Subjunc. *que je prisse*, etc.
Imperative — *prends, qu'il prenne, prenons, prenez, qu'ils prennent.*

VOCABULARY.

les mouvements	the movements
irréguliers	irregular
l'élan	the rise
arrêter	to stop
renfermer	to enclose
familiarisés	familiar
apprécier	to appreciate, esteem

la confection	the make-up
parvenir	to arrive
un commis sténographe	a shorthand clerk
entrepreneur	contractor
bâtiments	buildings, edifice
la modiste	the milliner
le doit	Dr.
l'avoir	Cr.
une traduction	a translation
un effet	a bill, bill of exchange
le recouvrement	the recovery ; payment
porter	to place, carry
bruits	rumours
la guerre	war
très demandés	in great request
la hausse	the rise
momentanée, passagère	temporary
en haut	upstairs
en bas	downstairs
le télescope, la lunette	the telescope
la nationalité	the nationality
le vaisseau, bâtiment, navire	the vessel
couvertures de coton	cotton blankets
expédier	to despatch
un marchand de nouveautés, *un drapier*	a draper
le sous-acheteur	the assistant-buyer
le voyage	the journey
affréter, noliser	to charter
économiser, éviter	to save
afin de, pour	in order to
emballer	to pack
épingles	pins
à l'intérieur de, dans	inside
corbeilles (f.) ; *paniers* (m.)	the baskets

Traduisez en Anglais.

1. *Les mouvements irréguliers des arrivages ont arrêté l'élan du marché.*
2. *Nous avons reçu votre honorée du 5 courant, ainsi que les prix courants qu'elle renfermait.*
3. *Nous ne sommes pas assez familiarisés avec vos produits pour juger s'ils nous conviennent.*
4. *Il nous serait agréable de pouvoir les apprécier et de nous assurer de leur qualité.*
5. *Nous avons extrait de vos prix courants une liste d'articles dont veuillez nous envoyer des échantillons.*
6. *Je vous envoie, par ce courrier, une demi-douzaine de chacun, comme échantillons.*
7. *Veuillez donner tous vos soins à bien exécuter cette nouvelle demande.*
8. *Ce sera par l'excellente confection de ces articles que nos acheteurs seront attirés.*
9. *S'ils en sont satisfaits, nous vous ferons parvenir des ordres importants.*
10. *Veuillez tirer sur nous du montant de votre facture à un mois de date.*
11. *Croyez, Monsieur, à notre désir de commencer des affaires avec les maisons que vous représentez.*
12. *J'ai lu, dans le "Matin" de ce jour, votre annonce pour un petit commis sténographe.*
13. *Je travaille, depuis dix mois, dans le bureau de M. Leblanc, entrepreneur de bâtiments.*
14. *C'est chez cette modiste que je fais faire mes chapeaux neufs.*
15. *Ce compte ne peut être exact, le doit et l'avoir ne se balancent pas.*
16. *Avez-vous chance de vente des articles dont ci-inclus les échantillons ?*
17. *De quel livre vous servez-vous le plus quand vous faites une traduction en français ?*
18. *Quand viendra-t-il me chercher ? Il passera chez vous demain matin à 10 heures.*
19. *Je vous remets sous ce pli un effet de 500 fcs. qui vient à échéance le 20 ct.*
20. *Soyez assez bon pour en faire opérer le recouvrement, et veuillez en porter le montant à mon crédit.*

Translate into French.

1. Don't you think that you have paid too much for this parcel of silk ?
2. It certainly seems a lot of money, but I am certain it will sell well.
3. In spite of rumours of war, Consols were in great request this morning.
4. We were surprised by the sudden increase in the price of that company's shares.
5. As the rise was only temporary, we are glad that we sold them.
6. The meeting of the creditors lasted three hours ; much longer than we expected.
7. When the representative from this firm arrives, send him upstairs to the manager.
8. Look through this telescope and tell me the nationality of that vessel.
9. If the cotton blankets are not despatched at once, they will be too late for this season.
10. I called to-day at the largest draper's in the town and was told to call to-morrow.
11. The assistant buyer liked my samples, and felt sure that I should get a trial order.
12. Our traveller will commence his journey next month, and will be with you in three weeks.
13. We have chartered a vessel, and delivery will be made at your port.
14. The goods you have on order are ready ; will you have them cased or baled ?
15. We prefer to have them baled, in order to save freight.
16. Please see that the bales are hooped at the ends and in the middle.
17. The goods ready are not sufficient for a case ; where can we send them ?
18. We cannot pack heavy parcels of pins inside the baskets ; are we to case them ?

COMMERCIAL GERMAN

Continued from page 480

LESSON XI.

Besides the three Auxiliary Verbs: to have = *haben*, to be = *sein*, to become = *werden*, we have also six Auxiliary verbs of moods which, with a few exceptions, do not convey a complete meaning by themselves, but which express necessity, willingness, permission, and possibility. In English, they are, however, only used in the Present and Imperfect. In German they are complete verbs. Therefore all tenses except the Present and Imperfect must be translated into English by other verbs. The Preposition TO must never be used after an auxiliary verb of mood: *ich kann schreiben*

I can
OR, I am able to } write.

The first three Auxiliary verbs of mood are—

können	to be able to
müssen	to be obliged to
dürfen	to be allowed to

The first Future and Conditional are formed regularly, e.g.—

I shall **be able to** write a letter
Ich werde einen Brief schreiben können.

We shall **be obliged to** write a letter
Wir werden einen Brief schreiben müssen.

He will **be allowed to** read the letter
Er wird den Brief lesen dürfen.

I should **be able to** understand the letter, if I had a dictionary
Ich würde den Brief verstehen können, wenn ich ein Wörterbuch hätte.

I should **be obliged to** go there, if he were ill =
Ich würde dahin gehen müssen, wenn er krank wäre.

He would **be allowed to** read the book, if he were older
Er würde das Buch lesen dürfen, wenn er älter wäre.

The simple tenses for the above three Auxiliary verbs of mood are—

Können.

Present Indicative.				Imperfect Indicative.			
ich	*kann*	I	can OR am able to	*ich*	*konnte*	I	could OR **was able to**
er		he		*er*		he	
sie		she	can OR **is able to**	*sie*		she	
es		it		*es*		it	
man		one		*man*		one	
wir	*können*	we	can OR **are able to**	*wir*	*konnten*	we	could OR **were able to**
Sie		you		*Sie*		you	
sie		they		*sie*		they	

Present Subjunctive.			Imperfect Subjunctive or Present Conditional.			
ich	*könne*	I am able to, etc.	*ich*	*könnte*	I	could OR were able to, OR **should be able to,** OR might
er			*er*		he	
sie			*sie*		she	
es			*es*		it	
man			*man*		one	
wir	*können*		*wir*	*könnten*	we	could OR were able to, OR **should be able to,** OR might
Sie			*Sie*		you	
sie			*sie*		they	

PRESENT INDICATIVE.				**Müssen.**	IMPERFECT INDICATIVE.			
ich		I	must, am obliged to am forced to, have to		*ich*		I	
er *sie* *es* *man*	*muss*	he she it one	must OR is obliged to, is forced to, has to		*er* *sie* *es* *man*	*musste*	he she it one	had to, OR was obliged to, OR was forced to
wir *Sie* *sie*	*müssen*	we you they	must OR are obliged to, are forced to, have to		*wir* *Sie* *sie*	*mussten*	we you they	had to, OR **were obliged to,** OR were forced to

PRESENT SUBJUNCTIVE.				IMPERFECT SUBJUNCTIVE OR PRESENT CONDITIONAL.			
ich *er* *sie* *es* *man*	*müsse*	I must, etc.		*ich* *er* *sie* *es* *man*	*müsste*	I he she it one	had to, OR **were obliged to,** etc.
wir *Sie* *sie*	*müssen*	we you they	must, etc.	*wir* *Sie* *sie*	*müssten*	we you they	had to, etc.

PRESENT INDICATIVE.				**Dürfen.**	IMPERFECT INDICATIVE.			
ich *er* *sie* *es* *man*	*darf*	I may OR **I am allowed to** he she it one	may OR is allowed to		*ich* *er* *sie* *es* *man*	*durfte*	I he she it one	**was allowed to**
wir *Sie* *sie*	*dürfen*	we you they	may OR are allowed to		*wir* *Sie* *sie*	*durften*	we you they	**were allowed to**

PRESENT SUBJUNCTIVE.				IMPERFECT SUBJUNCTIVE OR PRESENT CONDITIONAL.			
ich *er* *sie* *es* *man*	*dürfe*	I may, etc.		*ich* *er* *sie* *es* *man*	*dürfte*	I he she it one	were allowed to, OR should be allowed to
wir *Sie* *sie*	*dürfen*			*wir* *Sie* *sie*	*dürften*	we you they	were allowed to, OR should be allowed to

The Past Participles of the three Auxiliary verbs of mood are—

gekonnt	been able to
gemusst	been obliged to, been forced to, had to
gedurft	been allowed to

The English expression " to do it," or " to do so," when following the above verbs, is translated simply by the pronoun *es*, it.

I have been able **to do it**
ich habe es gekonnt.
We have been obliged **to do it**
wir haben es gemusst.
We have been allowed **to do it**
wir haben es gedurft.

If the Past Participle of any Auxiliary verb of mood occurs together with the Infinitive of another verb [other than *haben*], the Past Participle takes the form of the Infinitive.

Ich habe es gekonnt
I have been able to do it;

BUT—

Ich habe den Brief schreiben können
I have been able to write the letter.
Haben Sie dahin gehen müssen?
Were you / Have you been } obliged to go there?
Ja, ich habe es gemusst
Yes, I have been obliged to go there.
Haben Sie den Auftrag sehen dürfen?
Have you been allowed to see the order?
Ja, ich habe es gedurft
Yes, I have (been allowed to see it).

N.B.—The pronoun " es " here stands for all that follows the auxiliary in the English sentence. Elliptical sentences like the English " I have " are not permitted in German.

The first form of the Present Conditional which is given at the beginning of the Lesson is not often used; the second form [Imperfect Subjunctive] is generally preferred.

Vocabulary.

das Wörterbuch	the dictionary
die Preisermässigung	the reduction in price
der Zoll	the duty
der Wald	the forest
die Fabrik	the factory
die Fracht	the freight
die Spesen	the expenses
übersetzen	to translate
bewilligen	to grant
behalten	to keep
spielen	to play
zukünftig	in future
richtig	right
mehr	more
annehmen	to accept
anbieten	to offer
nun	now

Translate into English.

Ich kann den Brief nicht verstehen. Ich sage Ihnen, dass ich den Brief nicht verstehen kann. Er kann Ihren Auftrag nicht annehmen. Wir werden seinen Auftrag annehmen. Wir können jetzt nicht dahin gehen. Können Sie mir sagen, wann der Zug abfährt? Sie können nicht in die Stadt kommen. Wir konnten keine Muster senden. Können Sie diesen Brief nicht übersetzen? Ich könnte ihn übersetzen, wenn ich ein Wörterbuch hätte. Wir könnten die Ware jetzt verpacken, wenn die Arbeiter hier wären. Ich könnte Ihnen den Preis jetzt sagen, wenn ich mein Buch bei mir [with me] *hätte. Haben Sie den Brief* **verstehen können?** *Ja, ich habe es* **gekonnt.** *Hat er* **kommen können?** *Ja, er hat es* **gekonnt.** *Ich kann Ihnen eine Preisermässigung bewilligen. Werden Sie uns eine Preisermässigung bewilligen können? Wer muss den Zoll bezahlen? Der Kunde muss ihn bezahlen. Wer muss nach Berlin gehen? Der Reisende muss dahin* [there (when it expresses motion)] *fahren. Wir müssen die Ware verkaufen. Warum müssen Sie die Ware verkaufen? Die Farbe muss zukünftig heller sein. Er muss Recht haben. Muss ich den Brief abschreiben? Wenn Sie die Sprache lernen wollen* [WANT TO], *so müssen Sie aufmerksam sein. Wenn Sie ihn sehen wollen, so müssen Sie nach Krefeld gehen. Haben Sie dahin* **gehen müssen?** *Ja, ich habe es* **gemusst.** *Hat er die Ware billiger* **verkaufen müssen?** *Ja, er hat es* **gemusst.** *Müssen Sie wirklich dahin gehen? Ja, ich muss leider* [unfortunately] *dahin gehen. Es muss richtig sein. Darf ich das Muster behalten? Darf er jetzt spielen? Er darf nicht rauchen. Wir dürfen jetzt nicht sprechen. Man darf hier nicht laut sprechen.*

Translate into German.

ARE YOU ABLE TO understand what I say? Yes, I understand (it). Are you able to accept our order? No, I am not able to accept it. Are you able to tell me the price? She cannot come to-day. We are not able to understand your letter. We were not able [Imperfect] to understand your letter. We were not able [Imperfect] to accept your order. Was he able to accept our order? [See Auxiliary verb: Past Participle with Infinitive.] Were you not able [Perfect] to understand his letter? Were we not able to offer such cloth? Can you show me the sample? Can you show me the cloth? Can you grant me a reduction? You must pay the duty. Who has to pay the freight? Must we pay the expenses? Who has to pay [for] the damage? You must send us a better quality. You must allow [grant] us a reduction, because the goods are damaged. Who has to go to Berlin? I AM FORCED TO go there. We ARE OBLIGED TO pay this amount. You must read more. I HAVE BEEN OBLIGED TO send a report. Who has been obliged to do it? Who had to pay the bill? Must you go to Essen? Yes, I

AM OBLIGED TO go there. Am I allowed to read this report? Nobody [*Niemand*] is allowed to read it. May he keep this small picture? May I speak now? He is not allowed to smoke. We were not allowed to read such a book when we were young. May I open the window? May we go now? Why did you not go there? We were NOT ALLOWED TO [go there]. Why did he not come? He was not allowed to [do so].

Translate the words in brackets in the last two sentences by the pronoun "it."

Können does not only express TO BE ABLE TO, but it also denotes possibility and permission; in that case it must be rendered in English by "I may," "it is possible," etc.

Es kann wahr sein It may be true.
Sie können Recht haben You may be right.
Kann man mit dem Schiff dahin fahren?
Can we go there by boat, OR
Is it possible to go there by boat?
Kann ich rauchen? May I smoke?
Kann ich das Fenster aufmachen?
May I open the window?

Note the following idiomatic expressions—

können to know, when speaking of languages, etc.

Können Sie Französisch?
Are you able to speak French?
Do you know French?
Kann er Deutsch? Does he know German?

Müssen expresses "I am obliged to" in the sense of "I am compelled to."

Wir müssen sterben We must die, etc.;

but the English expression "I must not," when used for "I am not allowed to," must be translated by *ich darf nicht*, etc.

Er darf keinen Zucker essen
He must not eat any sugar.
Ich darf heute nicht rauchen
I must not smoke to-day, etc.

Dürfen expresses permission "to be allowed to" OR "to have the permission to"; but the Imperfect Subjunctive is often used to express an opinion modestly.

Das dürfte wohl zu bezweifeln sein
I should think that this is not so.
[That might be doubted.]

The Cardinal Numbers in German are—

eins	one
zwei	two
drei	three
vier	four
fünf	five
sechs	six
sieben	seven
acht	eight
neun	nine
zehn	ten
elf	eleven
zwölf	twelve
dreizehn [3,10]	thirteen
vierzehn	fourteen
fünfzehn	fifteen
sechzehn	sixteen
siebzehn	seventeen
achtzehn	eighteen
neunzehn	nineteen
zwanzig	twenty
dreissig	thirty
vierzig [4 *zig*]	forty
fünfzig	fifty
sechzig	sixty
siebzig	seventy
achtzig	eighty
neunzig	ninety
hundert	a hundred
tausend	a thousand
einundzwanzig [1 and 20]	twenty-one
dreiunddreissig [3 and 30]	thirty-three

From the above it will be seen that the formation of the Cardinal Numbers is very regular. The numbers from 13–19 are formed by adding *zehn* to *drei, vier, fünf, sechs, sieben, acht,* and *neun;* but the s in *sechs* is omitted; generally we omit also *en* of *sieben* (7). The numbers from 30–90 are formed by adding *zig* to *drei,* etc. The only exceptions are that in *dreissig* the *z* becomes *ss;* and in *sechzig* the *s* and in *siebzig* the *en* is omitted. A hundred is simply *hundert,* but "one hundred" is *einhundert;* "a thousand" is simply *tausend,* but "one thousand" is *eintausend.* "One" is *eins,* but if it is followed by another number, it is *ein.*

If the first number is used with a noun, it is *ein* (m. and n.) and *eine* (fem.); but if it is used without a noun it is—

Masculine	Nominative	*einer*
	Accusative	*einen*
Neuter	Nom. / Acc.	*eines* OR *eins;*
and Feminine	Nom. / Acc.	*eine*

For instance—

Wieviele Arbeiter kommen?
How many workmen are coming?
Nur ein Arbeiter kommt
Only one workman is coming; OR
Nur einer kommt
Only one is coming.
Wieviele Arbeiter werden Sie fragen?
How many workmen will you ask?
Ich werde nur einen Arbeiter fragen
I shall ask only one workman; OR
Ich werde nur einen fragen
I shall ask only one.
Wieviele Bücher haben Sie?
How many books have you got?

COMMERCIAL SPANISH

Continued from page 483

KEY TO EXERCISES IN PART 10 (p. 483).

1. Up to the present nothing is known as to his whereabouts. 2. Be good enough to arrange with the printer. 3. We have no objection to your doing what you like. 4. The increase which is asked is of little importance. 5. We hope that they will have no reason for complaint. 6. It is not worth while. 7. Owing to the bad weather the meeting could not take place. 8. I shall try to remit to you the balance due as soon as possible. 9. It is probable that the assets and liabilities of the new company are not yet known. 10. It is better to arrive late than never. 11. We hope to get hold of a good lot at the auction. 12. I have an appointment with him, and I hope to be able to collect the debt which he has with me. 13. It is possible that the witness may not appear again. 14. The person newly arrived has just come in. 15. Did you see the stain on the cloth? 16. They say it is on account of the tarpauling. 17. We think that this will not occur again. 18. Do you know if the packer has put hoops on the bale? 19. Both he and his client enjoy these advantages. 20. Put the cord on this case for me.

1. *Estos géneros se fabrican en Alemania.* 2. *¿ Cuánto vale este artículo?* 3. *No podríamos abonarle nada.* 4. *La madera se emplea para la construcción de cajas.* 5. *No quieren hacer nada para cumplir con sus compromisos.* 6. *Hice esto para que él no tuviera motivo de quejarse.* 7. *No les mandé nada, menos las vigas y los pernos.* 8. *Se enviarán en seguida presupuestos á quien los pida.* 9. *De nada sirven; (no sirven para nada).* 10. *Cuiden Vds. de que salgan bien.* 11. *No quieren hacer bonificación alguna sobre el abacá.* 12. *Se me dice que había señales de que la caja había sido fracturada* 13. *Conviene que Vd. facture los géneros, sujeto á descuento, como de costumbre.* 14. *¿ Cree Vd. prudente cobrar las cuentas pendientes?* 15. *El documento, se ha extraviado, y como Vd. sabe, no vale la pena de obtener otro.* 16. *Hasta cierto punto, lo que pide es muy razonable.* 17. *¿ Tiene Vd. inconveniente en que yo salga?* 18. *¿ Tendrá Vd. á bien conseguir algunas partidas baratas en la subasta?* 19. *Más valdría que Vd. le diese lo que pide.* 20. *Colocaré cuanto pueda* (or *todo lo que pueda*), *para que Vd. compre á precios baratos.*

LESSON XI.

PREPOSITIONS. — The principal Spanish Prepositions are—

á, to, at
ante, before
bajo, under
con, with
contra, against
de, of, from
desde, from, since
en, in, into, at
entre, between, among
hacia, towards
hasta, until, as far as, up to
para, for, in order to
por, by, for, through
según, according to, as per, as
sin, without
sobre, on, upon
tras, after

Notes on Prepositions. After a Preposition, the Infinitive is used in Spanish, as—

In doing this, *en hacer esto.*

For having written, *por haber escrito.*

The word "by," which is usually rendered by *por*, and occasionally by *de*, is generally omitted in Spanish before a Present Participle, as—

By doing this, you will please me,
haciendo esto, Vd. me complacerá.

By shipping these goods now, you will save time,
embarcando ahora esta mercancía, Vds. ahorrarán tiempo.

This could also be rendered by *de*, followed by the Infinitive, as—

De embarcar ahora esta mercancía, etc.;

or the sentence could be changed to—

If you ship, etc.: *si Vds. embarcan . . .*

"BY." After a few verbs, such as *amar, querer, estimar, apreciar, temer*, etc., that is, verbs expressing such emotions as love, respect, esteem, fear, etc., *de* is used in Spanish instead of *por*, as—

Somos amados de nuestros padres,
We are loved by our parents.

"BEFORE." The Spanish use three forms to translate "before," viz., *ante, delante* (*de*), and *antes.* The latter—*antes*—is always used when speaking of time, as—

Before now, *antes de ahora*;
before I came, *antes que yo vine.*

NOTE. *Antes* takes *de* when followed by a noun or adverb; but it is usually omitted before *que*, although in the latter case *de* is often added.

Ante is used with the meaning "in front of," "in the presence of," as: *ante el juez*, before the judge; *ante un notario*, before a notary; *ante estas pruebas*, in view of these proofs.

Delante de is used for "in front of," "going before," as: *delante de Vd.*, in front of you; *delante de la puerta*, in front of, opposite the door.

"ON." "On" is generally translated by *sobre*, and sometimes by *en*. *En* expresses closer contact than *sobre*, as: *en la cabeza*, on the head; *en la mesa*, on the table; *en la escalera*, on the stairs.

Sobre has rather the meaning of "above," "on top of"; and it has also the meaning of "about" OR "regarding," as—

Sobre este asunto, on this subject;
el debate sobre el Libre Cambio, the debate on Free Trade;
vendré sobre lunes, I shall come about Monday.

Before a Present Participle, "on" is translated by *al*, and the Infinitive is used in Spanish, as: on writing to them, *al escribirles*; on receiving, *al recibir*. Also: on receipt of, *al recibir* OR *a, recibo de*; on the following day, *al día siguiente*.

"DE" AND "DESDE." *Desde* is a more emphatic form of *de*, and is used also to mean "since," thus—

I have walked from G. . . . , *he caminado desde G.*;
since then, *desde entonces*.

IRREGULAR VERBS.

Traer, to carry, to bring.
Pres. Indic.—*Traigo, traes, trae, traemos, traéis, traen.*
Past Def. —*Traje, trajiste, trajo, trajimos, trajisteis, trajeron.*
Pres. Part. —*Trayendo.*

Verbs conjugated like *traer* are: *contraer, atraer*, etc.

Caber, to be contained OR containable.
Pres. Indic.—*Quepo, cabes, cabe, cabemos, cabéis, caben.*
Past Def. —*Cupe, cupiste, cupo, cupimos, cupisteis, cupieron.*
Fut. —*Cabré, cabrás, cabrá*, etc.
Cond. —*Cabría, cabrías*, etc.

The Present Subjunctive of these verbs is formed, of course, from the 1st Person Singular of the Present Indicative, thus—

Traiga (from *traigo*), *traigas, traiga, traigamos, traigáis, traigan*;
Quepa, quepas, quepa, quepamos, quepáis, quepan.

The Imperfect and Conditional of the Subjunctive are formed from the 3rd Person Plural of the Past Definite, thus: *trajese*, etc. (from *trajeron*); and *cupiese*, etc. (from *cupieron*).

NOTE ON "CABER." *Caber* is a rather peculiar verb, and is used thus—

¿ Cuántas personas caben en esta sala ?
How many persons will this room hold ?

(Literally: How many persons are containable in this room ?)

En mí no cabe tal acción,
I am above such an action.

(Lit.: such an action is not containable in me.)

No cabe duda, there is no doubt (doubt is not containable).

Me cupo la satisfacción,
I had the satisfaction (OR pleasure).

Conocer, to know (to be acquainted with personally).
Pres. Indic.: *Conozco, conoces* (others Regular).
Pres. Subj.: *Conozca*, etc.

Most verbs ending in *acer, ecer*, and *ocer* are conjugated like CONOCER. Exceptions: HACER (which see) and one or two others of infrequent use.

Saber AND **Conocer,** to know.

SABER is used for "to know mentally"; whereas CONOCER means to be "acquainted with" OR "to know personally." Use *conocer* before persons, towns or places, books, etc.; and *saber* before things. When "know" is followed by "that" (relative pronoun OR conjunction), *saber* is used.

Examples—

No conozco á ese hombre.
I don't know that man.
¿ Sabe Vd. qué hora es ?
Do you know what time it is ?
Yo sé que ha llegado.
I know that he has arrived.

SUBJUNCTIVE MOOD.—The Subjunctive Mood is used in Spanish after a verb in the negative, followed by *que*, as—

No hay persona que pueda hacerlo.
There is no person who can do it.
Él no tiene libro que me convenga.
He has no book to suit me.
No creo que llegue á tiempo.
I do not think it will arrive in time.

After *SI*, "if." The Subjunctive is only employed after *si* when used in a real Conditional sense, as—

If I received this money, I should be happy.
Si (yo) recibiese este dinero, sería feliz.
If you sent us an order, we should do our best to place it.
Si nos enviase Vd. un pedido, haríamos nuestro posible por colocarlo.

Note also such forms as, "Had we received your advice, we should have sent them," must be changed to, "If we had received your advice, etc." "Should you send it, I shall keep it"; to "If you sent it, I shall keep it."

Exceptions. When *si* has the meaning of "whether," the Subjunctive is not used, as—

He did not know if you had come.
Él no sabía si Vd. había venido.

The Subjunctive is not used after *si* if the tense is present or future, but the Present Indicative is used, as—

If I arrive in time, I shall let you know.
Si llego á tiempo, se lo avisaré á Vd.
(Lit.: I shall advise it to you.)
Let me know if you are coming.
Aviseme si Vd. viene.

Note also—

Por si acaso Vd. lo necesita.
In case you want it.

After *CUANDO*, only when used with reference to the future, or (if the tense is past) in reference to something that has not occurred at the time of speaking or writing, as—

I shall do it when I receive the letter.
Lo haré cuando reciba la carta.
He told me to do it when the goods arrived.
Él me dijo que lo hiciera cuando llegasen los géneros.

If used interrogatively, *cuando* does not take the Subjunctive, as—

When will you come?
¿ Cuándo vendrá Vd. ?

Also note something habitual, as—

When I see him, I always speak of you.
Cuando le veo, le hablo siempre de Vd.

VOCABULARY.

the advantage, *la ventaja*
the certificate, *el certificado*
the cloth (textile), *el tejido*
the cargo, *la carga*
the end, *el fin*
the charge, *el cargo*
the fuel, *los combustibles*
the prejudice (loss), *el perjuicio*
the turnover, *el giro* (*de los negocios*)
to agree, *estar de acuerdo ; convenir*
to await, *aguardar, esperar*
to approve of, *aprobar*
to acknowledge, *acusar*
to damage, *averiar*
to spoil, *echar á perder*
the demand, *la demanda*
the copy, *la copia, el ejemplar*
the range, *la serie*
the line (branch), *el ramo*
the make, *la fabricación*
the tablecloth, *el mantel*
including, *incluso*
in full, *por completo ; íntegro*
quite, *enteramente*
suitable, *conveniente*
at least, *á lo menos*
on purpose, *de propósito*
on an average, *por término medio*
otherwise, *al contrario*
to charge, *cargar, cobrar, llevar*
to make out, *comprender* ; (to draw up) *extender*
to explain, *explicar*
to decide, *decidir, resolver*
to notice, *advertir, observar*
to take, *llevar, tomar*
to be of use, *servir*

EXERCISE 21.

1. *Hemos advertido un error en el estado* (abstract) *de cuenta corriente que Vds. nos han mandado.* 2. *Les rogamos tengan la bondad de rectificarlo.* 3. *Deseamos que nos expliquen Vds. cómo ha sucedido.* 4. *Les cotizamos estos precios, incluso el cargo de doblez* (fold). 5. *Él me ha pagado esta suma íntegra.* 6. *El giro por término medio llega á* (reaches) *cien mil libras al año.* 7. *Vamos á hacerles un embarque de maderas de construcción.* 8. *El fabricante ha echado á perder este tejido.* 9. *Esto nos causa un gran perjuicio.* 10. *Sentimos decirles que éste no es el ramo de negocios de ésta su casa* (this your house, i.e., our house). 11. *Hemos extendido los conocimientos de embarque en nombre de Vds.* 12. *No cabe duda que esta calidad será muy conveniente para Vd.* 13. *Han convenido en hacernos una bonificación de* 1 *por ciento.* 14. *Todavía no se ha resuelto esta cuestión.* 15. *¿ Cuántas piezas caben en cada caja ?* 16. *¿ Cuánto me lleva Vd. por este tejido ?* 17. *Se emplea mucho algodón en la fabricación de la ropa* (clothes). 18. *Á menos que recibamos aviso de Vd., le haremos el embarque de estos géneros por el próximo vapor.* 19. *Hemos colocado su pedido sin pérdida de tiempo.* 20. *Recibe á lo menos quinientas libras al año.* 21. *Les damos á Vds. todas las ventajas que hemos alcanzado* (obtained, secured). 22. *Los precios han subido enormemente á causa de la guerra en los Balkanes.* 23. *No queremos aguardar más tiempo la entrega de estos géneros.* 24. *De nada sirve el que digamos mucho.*

EXERCISE 22.

1. The price of fuel has gone up considerably (*considerablemente*). 2. The rise is on account of the war in the East (*Oriente*). 3. Do you think prices are likely (change to, that it is probable that prices . . .) to come down ? 4. No ; I am afraid that they will go still higher (*que suban aún más*). 5. Did you know that firm ? 6 How many pieces did the cask (*casco*) hold ? 7. These articles are in great demand just now (*muy solicitados por ahora*). 8. Your letter brought us an order, but we are not sure if we can place it. 9. All the stocks are sold out (*agotadas*). 10. Let us know if you agree. 11. Do you approve of the pattern I brought ? 12. In view of your arguments (*argumentos*) we must make the allowance. 13. Before I send these copies (*ejemplares*) of the bill of lading, I should like (*quisiera*) to hear from you (*recibir sus noticias*). 14. All the looms are full and manufacturers are asking very high prices. 15. We beg to (*tenemos el gusto de*) acknowledge receipt of your favour (*su grata*). 16. Kindly quote us your lowest price (*precio último*) for this quality. 17. I do not care for (*no me gusta*) the make of this tablecloth. 18. We shall send you these goods, unless we receive other instructions from you. 19. Do you know if he has done this on purpose ? 20. I will send you the copies when I get (*obtener*) the prices. 21. Ask him to pay the amount in full. otherwise I shall sue him (*le pondré demanda*), 22. We hope you will not fail to (*dejen Vds. de*) send us your orders by return of post. 23. On Friday we received a good range of the cloths which are on (*en*) the loom.

ELEMENTARY ITALIAN

Continued from page 484

KEY TO EXERCISE IN PART 10 (p. 484).

1. At first my salary was 100 francs a month: then it was doubled, *lit.* became double (that is 200 francs); now it is finally trebled (that is 300 francs). 2. Now our brother earns *or* gains 150 frcs. a month because *or* as he has a threefold salary; 100 frcs. for his position (*lit.*, office) as cashier; 30, because he also does the French correspondence; 20, because he teaches the principal's son how to keep accounts. 3. A week ago there were a hundred people in their (assembly-)room *or* hall. 4. His chief arrived yesterday at half-past ten. 5. I was very busy and could not go (*or* get) to your house last Friday. 6. My friends were out of London that day. 7. We were in their room all the morning. 8. The cost of living (*lit.*, daily life) has doubled. 9. We sold our houses two years ago. 10. Last Saturday the shopkeeper served his best customers. 11. In the great hall of the Press Association all the members of their committee assembled. 12. We took their books and pens. 13. I do my duty and my employee does his. 14. He spent his money and theirs too. 15. All my people are well. 16. We are masters of our own (belongings, property). 17. I have received your kind wishes. 18. We are all fairly well. 19. My brother is not yet under arms. 20. His turn has not yet come to fulfil his duty, and we are at ease (*lit.*, quiet) on his account.

LESSON XI.

REMARKS ON THE VERB "FARE."—This irregular verb (of which the present tense was given in the last lesson) is of great importance, being used not only in its primary sense of "to make" or "to do," but in innumerable idiomatic phrases.

EXAMPLES.

far freddo, to be cold
far caldo, to be warm
far bel tempo, to be fine weather
far cattivo (*brutto*) *tempo*, to be bad weather
fare la barba, to shave
far sapere, to let (one) know
fare un complimento, to pay a compliment
fare una visita, to pay a visit
fare una passeggiata, to take a walk
fare un viaggio, to take a journey
far presto, to make haste
far vedere, to let (one) see, to show

This verb is also employed with another Infinitive, like the French verb *faire* in the sense of *causing a thing to be done*. The English form is equally idiomatic, being rendered by the verb "to have," followed by the Past Participle of the principal verb, e.g. "To have a letter written," which in Italian would be *far scrivere una lettera*, i.e. literally "to cause a letter to be written," the active Infinitive always being used in such sentences instead of the passive form.

A few more examples are appended, but it is essential that students should form as many sentences as possible for themselves from the model given, as this verb is so widely used—

Far pubblicare un libro, to have a book published, *lit.*, to cause a book to be published.

Far preparare una ricetta, to have (*or* get) a prescription made up, *lit.*, to cause a prescription to be prepared.

Far fare un abito, to have a coat made, *lit.*, to cause a coat to be made.

Far telegrafare la risposta, to have the reply sent by wire, *lit.*, to cause the reply to be telegraphed.

Farsi[1] *fotografare*, to have oneself photographed, to have one's photo taken, *lit.*, to cause oneself to be photographed.

Farsi[1] *fare la barba*, to get shaved, *lit.*, to cause oneself to be shaved.

Far entrare, to show in, *lit.*, to cause (one) to enter.

The Imperfect Tense of the verb is irregular, viz., *facevo* (I was doing or making, I did or made), *facevi, faceva, facevamo, facevate, facevano.*

The Past Definite is also irregular, viz., *feci* (I did or made), *facesti, fece, facemmo, faceste, fecero.*

The Past Participle is *fatto*, made, done, and the Present Participle is *facendo*, making, doing.

EXERCISES.

I.—1. When it is cold I wear an overcoat (*soprabito*). 2. It was fine (weather) yesterday and the day before yesterday (*ieri l'altro*). 3. What (*che cosa*) did the clerks do? 4. They did the accounts. 5. We have taken a journey. 6. They have had a book published. 7. He was taking a walk.

II.—1. *Vuol* (will you) *farmi*[1] *sapere il prezzo di questa seta?* 2. *Fate presto, per piacere* (please). 3. *Vorrei* (I should like) *farmi*[1] *fotografare.* 4. *Che cosa fanno i dattilografi?* 5. *Spero che il suo viaggio è stato un successo.* 6. *Vuol farmi*[1] *il favore di andare* (to go) *alla Posta?* 7. *Vuol farmi*[1] *vedere delle scarpe* (shoes) *forti da passeggio* (for walking)? 8. *Ho fatto preparare una ricetta dal farmacista* (chemist).

[1] It will be seen that a pronoun depending on an infinitive forms one word with the latter (*mi* = me, *si* = oneself)

THE STOCK EXCHANGE

LESSON I.

BRIEF HISTORY.—As soon as people began to possess that kind of wealth which is represented by paper, it became necessary that there should be some meeting-place where such property could be bought and sold.

It is probable that many of the first investors in public stock, lent their money to the Government through the Bank of England, with little intention of receiving the money back. What they received in exchange for their payment was the right to so many pounds, shillings, and pence per annum. They placed money in the funds and were entitled to an annual income.

But soon it became convenient for this right to an annuity to be bought and sold. The Government was not always borrowing money, nor would it pay back the money borrowed when demanded. In consequence, those who wished to invest capital and those who wished to change their investments into cash, almost naturally found a central meeting-place where they could deal with each other.

n London, this was Jonathan's Coffee House, a place of refreshment in the City. It swiftly became general news among investors that if any one had stock to sell, or if any one wished to buy stock, they would find buyers and sellers at "Jonathan's."

London coffee-houses had much to do with the great commercial movements of years ago. In almost the same way as Jonathan's became the place where dealers in stock could meet, "Lloyd's Coffee House" became the recognised place where shipowners could find rich men who would join them in the risks of putting a cargo upon the ocean by insuring, or "under-writing," its value in exchange for a part of the profit. "Lloyds" was also a place where a merchant or an underwriter could learn all about the seaworthiness of a ship and the character of a captain.

From Lloyd's Coffee House have grown the two great institutions of "Lloyd's Register" and Lloyd's Underwriting, and from Jonathan's Coffee House has grown the famous London Stock Exchange.

Obviously, the fact that public stock could always be bought and sold, increased its usefulness and made it a helpful form of investment to commercial men.

Thus, a London merchant, having had a highly successful year, and made a great deal more money than he required just then for his business, and not having made up his mind how to use it, could buy so much stock with it, being quite sure that at any time he wished to use the capital he could easily sell the stock again at Jonathan's.

By doing this, his money would be earning profit all the time it was thus invested and, in the long run of many transactions over several years, would certainly more than compensate him for any slight risk of a fall in value.

In 1748, "Jonathan's" was burnt down, and though this was not the only coffee-house in which there were dealings in stocks and shares, it was then generally recognized as the chief centre. "New Jonathan's," which took its place, so completely monopolized the trade, that in 1773 it definitely changed its name to "The Stock Exchange."

EARLY CONTROL.—During all this time rules and customs were gradually being formed, none of them, in those early days, very rigid or exclusive. It is true that as soon as the new title was taken, control was vested in a committee of trustees and managers and a committee for general purposes, and that members were elected much in the same form as at the present time; but on payment of a fee of sixpence, any one could enter and transact business.

It was at the beginning of the nineteenth century when a new building was erected at the end of Capel Court, that the Stock Exchange became a close corporation, zealously limiting admission to its own members, who were elected by ballot.

MARKETS.—As time passed on, it became convenient to divide the Exchange into markets. The most important of all the markets is the "Consol" market, in which business is done in British and Colonial Stock. In 1816 the Foreign Bond Market was instituted; later, Railway, Mining, and Industrial or Miscellaneous Markets came into being; and, later again, yet further divisions took place such as, for instance, the division of Mining into Westralian, Rhodesian, Kaffir, and other denominations.

Exclusiveness is a marked feature of the London Stock Exchange. It is difficult and costly to become a member, and the restrictions upon the acts of members are numerous and severe.

Strangers enter the "House" at their peril. The phrase "Fourteen hundred" is a signal that quickly brings a crowd; and the tradition runs that the intruder must be spun about, his hat crushed over his head, and his coat ripped up the back, and a journey of "mafficking" be taken to the street. It is said that at one time there were exactly 1,399 members, so that number "Fourteen hundred" was obviously a stranger.

STOCK BROKERS.—Robert Bondfield desires to sell £500 Birmingham Corporation Stock, and goes to his broker, Henry Feld. (All transactions and names in this series are purposely fictitious, fanciful, and must be regarded as illustrations only.)

Now, Henry Feld, the broker, may have no inquiries for Birmingham stock, nor does he know of any member of the public who would be likely to buy it. But this does not prevent business from being done, for the methods of the Stock Exchange are so contrived that clients can always buy and sell stocks and shares which have a recognized value.

There are, of course, great numbers of companies and corporations of which the shares and debentures do not find an easy sale, in which there is "no market," and for these the broker may be unable to find a buyer.

But shares, debentures and stocks in Government and Corporation loans, railways, profitable mines, and well-known trading syndicates and companies, can be dealt in at almost any time.

Now, while Mr. Feld, the broker, is being instructed to sell Birmingham Corporation Bonds, it may so happen that another broker is being requested by a client to purchase the same kind of securities. The system of the Stock Exchange does not bring these two brokers into immediate touch with each other, but it provides a central market in which one can buy—the other can sell.

And it does more than this.

The two transactions may not be simultaneous. The man who sells comes on Monday and the buyer on Thursday, yet so excellent is the system that the transactions can both take place without delay, the stock being held by some member of the Exchange till the purchaser comes for it.

And here we see that the Stock Exchange has really two separate services to offer the public. The first is to do its buying and selling, and the second is to hold stocks and shares for the hours or days or weeks between the transactions.

It is very important to grasp this fact, as it is the reason for some of the very strict and often rather puzzling laws of the Exchange.

The theory of the Stock Exchange is that, in the course of time, sales and purchases balance each other, but that there is no guarantee that they will do so every hour or every day; so, if business is to be made easy, there must be a number of members who are willing to buy to-day what they hope to sell to-morrow and *vice versa*.

The rules of the Stock Exchange vary occasionally—particularly in times of war and financial crises—but here we deal with the theory as worked to in ordinary times.

STOCK JOBBERS.—The member of the Stock Exchange who buys stocks to sell later or *vice versa*, does so with the hope of making a profit. He is really a trader in securities, and he derives his income from his profits on deals.

This man is called a Dealer or, more generally, a Jobber.

There are consequently two distinct kinds of members of the Exchange: Brokers and Dealers, and the division between them is as sharp and rigid as laws and rules can make it.

When a man becomes a member of the Exchange, he must state which he intends to be. He can, however, change his status by giving proper notice to the committee and by publishing the fact in the house. But in the event of doing this, there must be an absolute definite change such as permits of no confusion as to which he is.

The dealer may not deal direct with a member of the general public. A broker may only make his profit by charging brokerage or commission. These are the two chief rules and it requires little thought to see how excellent they are.

As the profits of the members of the Stock Exchange as a whole largely come from the transactions of the general public in stocks and shares, it is obviously to the interest of all, to make such an arrangement that anyone may transact his business with a member without fear of inside knowledge being used against him. In other words, he should be able to go to his stockbroker and have the same confidence in his advice and judgment as he has in consulting his doctor or his auditor.

Now, supposing when Mr. Robert Bondfield, retired draper, goes to consult Mr. Henry Feld, stockbroker, the transaction were between two principals (that is, that one makes his profit out of the other's loss), it would be most unfair to the retired draper. He would be a layman, an outsider, pitting himself against a specialist with inside knowledge. He could not rely upon the broker's advice, for obviously a man could not be expected to offer recommendations which cut into his own profit. In the event of the investment turning out badly, he would naturally suspect the broker of making his ignorance a means for self-help.

More than this, as there are thousands of dead or dying companies, whose shares are worth practically nothing, it would be to the interest of the broker to purchase large quantities of these at a few pence each and sell them at a substantial profit. Provided this were done very carefully, every series of transactions in first-class securities could be made a means of unloading some of this undesirable stock on a client.

It is not suggested for a moment that respectable brokers would do this kind of trade if they were free to do so, but the Stock Exchange, in its jealousy to maintain its reputation, and in its very proper desire to be regarded as a body of specialists ready to serve the public, deprives brokers of the opportunity.

When Mr. Bondfield instructs Mr. Feld, the broker, to sell £500 Birmingham Corporation Stock, Mr. Feld does not buy them himself, though he may be sure that they will rise in value in a few days time. He takes them to a dealer and sells them for his client, charging a commission on the deal.

It is his duty to get the best price he can, and the only interest he needs to serve is that of his client. Naturally he wants to do business, as his profit is derived from commission on the actual business he does; but apart from this, he is not interested in influencing a client to his disadvantage.

There may be times when it would pay a client to keep his investments untouched, and when it would pay the broker for him to sell one kind of stock and buy another. Here the interests of principal and broker would not be precisely identical. But in all other respects the aim of the Exchange is to ensure the best and most unprejudiced service for the public.

The broker desires to retain his clients, and to increase his own reputation for giving sound advice: both of these endeavours are aided by the conditions under which he is obliged to work.

MEMBERS MUST NOT ADVERTISE.—A member of the Stock Exchange may not advertise. To do so is one of the most serious offences against the laws of the Exchange. Any act that becomes more than a direct communication between broker and client is open to very searching questions. It is permissible for a broker to inform his clients of likely changes and of investments they should make, but a rather wide issue of circulars and letters would be regarded by the committee with very grave suspicion.

INTRODUCTIONS.—It is sometimes complained that members of the general public are unable to deal in stocks and shares, owing to their inability to get in touch with a broker.

The tradition of the profession is that a man should be introduced to a broker, and that he must not walk into his office as one would enter a grocer's shop and expect to do business.

The difficulty of getting a broker to act for one is, in many cases, more imaginary than real. Introductions can be obtained by almost anyone who cares to take a little trouble, and who does not mind the risk of a rebuff in some very punctilious office. A banker, an accountant or lawyer with whom one had professional dealings would assuredly give such an introduction.

The Secretary of the Stock Exchange will always send a list of brokers on application, but as this contains some thousands of names, the assistance is not great.

Very naturally, when a stockbroker is called upon to do business by a man of whom he knows little, he will scarcely go into the market and buy unless he has a substantial proportion of the money in hand. The fortnightly settlement day is the time when accounts are balanced, and where the broker is doing business for a comparative stranger he likes to be sure he has the money in hand to cover any loss in case the client should not complete the bargain.

The chief peril of the investor in search of a broker is that he may fall into the hands of a self-styled broker who is not a member of the Stock Exchange, and who is out to profit by all the chances that come to him. Of these outside brokers more will appear in a later lesson.

It is a rule of the Stock Exchange that "a broker issuing a contract note shall use such a form as will provide that the words 'Member of the Stock Exchange, London,' shall immediately follow the signature."

HOW MEMBERS ARE ADMITTED.—Membership in the Stock Exchange is obtained by nomination or by service as clerk to a member.

A candidate for admission in the first of these two ways must obtain the nomination of a member who has retired or who is willing to retire on his behalf, or of the legal representative of a deceased member.

Admission by the second of these two ways involves four years' service as a clerk to a member, during the whole of which time the candidate shall have filled one of those positions of responsibility recognized by the committee.

The names of clerks who are applying for membership are placed upon a waiting list in the order of application. Those within the number fixed by the Committee are balloted for. A candidate for admission must be not less than 21 years of age and must be recommended by three members.

Members must obtain shares in the Stock Exchange and also pay a heavy annual subscription.

It is an interesting point to note that the Exchange insists upon its new members being guaranteed in an entirely *bona fide* manner. The surety has to declare that he has not been, and will not be, indemnified against the possibility of loss. Should he repent of this boldness and take steps to re-imburse himself in the event of the new member's failure, he makes himself liable to an equal claim beyond the first amount.

No person is admitted to membership of the Stock Exchange until he has been resident in the British Dominions for ten years, and has been naturalized for five years. No person of German, Austrian, Hungarian, Bulgarian, or Turkish birth is deemed eligible to be a member; but in the case of an application for re-election by any member or former member of such birth, if the Committee think proper to do so, in view of the particular circumstances of the case, they may re-elect such member or former member.

ADVERTISING

Continued from page 440

LESSON VI.

GENERAL PRINCIPLES.—One general principle of good advertising is that the statements must be specific and not general. The noun or substantive phrase that connotes exactly the object offered for sale, neither more nor less, is always better than a string of florid and loosely applied adjectives. The advertisement needs, above all, to tell the truth, to possess terminological exactitude. The lie, or the deceptive euphemism, will recoil upon its exploiter.

The vague, glittering generality does not point or concentrate the buyer's attention in any direction at all. Merely to talk of the virtues of fish, for instance, will not sell sardines, and even good advertisement talk about sardines will not necessarily sell the advertiser's own brand. A little time ago an American manufacturer took large spaces in the London newspapers to call attention to a shaving brush. The copy, as copy, was excellent, calculated to get quick results, and verged on the sensational. The advertisements did undoubtedly set men's minds to work to think about shaving themselves even to the point of buying a new brush, but the net result of the whole effort was to clear out retailers' accumulated stocks of unbranded shaving brushes. The defect here was putting the emphasis on the general term "shaving," and not upon the specific word "brush"; and the reason-why, or argument, relating to the point of the particular brush was not proof against the personal solicitation of the retailer's salesman when offering "our own make."

The specific statement in an advertisement concentrates the buyer's attention upon the goods. The words, as well as the statement, must be specific. There are many words, especially adjectives, which are equally appropriate for multitudinously diversified articles. Commonplace words like "superior," which can be used to describe a pill, can be also applied to a piano, and one of the marks of a bad advertisement is its convertibility by the mere substitution of one word for another into a totally different document.

Another general principle of good advertising has been summed up in the expression, "Reason Why." This idea, discoverable in some of the oldest British advertising, was first formulated as a modern principle of advertising in the United States. The term almost explains itself. It means that the advertisement shall give the reader one or more, or, indeed, as many as possible, logical reasons for buying the goods. Point by point, according to circumstance, the argument should be laid out, prominence usually being laid on appeals to the emotions rather than appeals to the intelligence; or, perhaps, better still, as is the case with much of the very best advertising, the emotional and the intellectual appeals should be sandwiched and interwoven after the manner of a really good public speech or sermon.

The reduction of this process to a principle has been of material assistance to the art of advertising. "Reason Why" copy is of particular service to retailers in provincial towns, and some useful experience can be gained by the beginner in offering to write such advertisements for local tradesmen. The fee usually obtained is from 5s. to 10s. each accepted advertisement, with a minimum of 10s. 6d. for a small booklet or circular. On no account should a beginner ever offer to prepare copy gratis, even with the expectation of getting a permanent appointment. The labourer in the advertising field is always worthy of his hire, for if he is not, then his work is worth nothing at all to any advertiser.

Another useful principle comes under the heading of "Do it now." This involves the use of some stimulating word or phrase to convey either to the conscious or subconscious mind a suggestion of the need of immediate action. "Fill in this coupon to-day" and "To-morrow may be too late" are familiar instances. The organisers of a *prima donna's* farewell performances utilise the same idea in the matter of selling seats.

Servile imitation of other people's "hurry up devices" is not, of course, to be commended, but many devices of this kind are in such constant use as to suggest that some of them cannot be bettered.

Opinions greatly differ as to the proper use of testimonials in advertising matter, the word "testimonial" being used here to include every kind of eulogistic commendation which helps the reader to have the fullest possible confidence either in the goods offered or in the advertiser's method of business. The tendency in present day advertising is to eliminate the testimonial unless its use be clearly indicated. In patent medicine advertising, for instance, a testimonial detailing the sufferer's symptoms and announcing his cure or recovery is of proved value; but, on the other hand, to take an extreme instance, the personal testimony of a man who had bought a pair of socks would be of little sales-pulling power as compared with the best possible description of the sock itself.

The publication of Press opinions, etc., in theatrical and book advertisements is, of course, a form of testimonial; while the printing of the names and photographs of celebrated musicians who have used a certain pianoforte is of the same order.

SALESMANSHIP

Continued from page 439

LESSON VIII.

MANNERS THAT OFFEND CUSTOMERS.—Don't be personal. Even when your calling necessitates dealing with matters particular to your customer, be very careful how you state your case.

One of the most intimate trades in this country is that of the barber. He deals not only with his customer's needs, but with his customer's person. A barber is often a good salesman. Often, also, he is a sorry bungler at selling his wares. Here are a few of the remarks that the bad salesman-barber feels it his duty to hurl at his customer: "Hair's very thin at the top, sir," "Lot of scurf in your hair, sir." "Head in a shocking state."

Now any one of these remarks thrown at a helpless customer in an oddly indifferent monotone, or with reproving sternness, and accompanied with a sneer (as they frequently seem to be), is enough to make any ordinary man decide he would sooner go bald-headed all his life than buy a pennyworth of hair wash or restorer from that shop.

The inexperienced barber's attempts at salesmanship are not simply failures; they are offensive and insulting failures.

But note the barber who really does sell things to his customers. The towelled man in the chair beneath him may not rise with the impression that he is a kind of Adonis plus Samson's hirsute finish; but at least he will walk out of the shop feeling that there is nothing about his person to make him obnoxious to the world.

The salesman's plan with him has been to urge him to make good, better, or better, best.

THE RIGHT THING IN THE WRONG WAY.—In every department of salesmanship it is possible to say the right thing in an entirely wrong way.

"It wouldn't look well at your age, madam. All right for a girl," may be a perfectly honest statement, but it is also a perfectly rude one. A woman's age is something that is distinctly her own private property. She may need to state it on a legal document or a census paper at times, but it is not a subject for discussion in a business deal.

"Very sorry we wrote you so stiffly that we must have the cash before delivery. You see, your terrace has a bad name with us. Three people there ran away owing us money." A hard experience for the shopkeeper, but in inference the words (which were actually spoken to a new customer) were gratuitously rude and insulting. "We require references for a credit account," or "We do not give credit" is a reasonable, businesslike statement; but "your terrace has a bad name with us" is as illogical as it is libellous. Thieves do not live in colonies, and an honest man of substance may take the house that has just been vacated by a shifty pauper.

THE POORER CUSTOMER.—A customer's means should never affect a salesman's manner. Rich and poor are entitled to equal courtesy. There are a great number of people who buy cheap things not because they prefer them, but because they cannot afford the things that are expensive.

Some salesmen have a way with such folk that can easily be regarded as purposely rude.

"We keep that quality, madame, but *our* customers usually pay a higher price," is not a kind remark. It means, in effect: "We are a cut above your class here."

Salesmen naturally like to sell high-priced articles. As a rule, they are well advised to try to lead the buyer's attention upward from the cheap and nasty to the better ranges of goods which cost more money. But this need not be done discourteously, nor need it be done in any way hurtful to the feelings.

There is a way of presenting the advantages of more liberal outlay in a manner that is helpful to the buyer and that appeals to his economic reasons. This is the right way; and usually, if the purchaser can afford to spend more, it is wonderfully resultful.

The notion that buyers can be *shamed* into paying higher prices is an altogether mistaken one. Yet it is a notion that appears to influence some salesmen.

"Those in the window?" said a shopkeeper. "Oh, we keep those to sell to navvies." "Thanks for telling me," was the customer's reply. "I shall go to a shop where they don't cater for the navvies' trade."

* * * * *

In dealing with the general subject, it has been, of course, necessary to make reference to the importance of good manners, as this is to be read by beginners. But it must be acknowledged that to those actually engaged in selling there is little need to offer any such advice.

In fact, the manner in which great numbers of salesmen and saleswomen retain their politeness through many trying ordeals is marvellous. Some customers are rude, and some give endless trouble, and some have offensive ways, yet taken on the average, the methods of those who deal with their wants are almost beyond admiration.

Were a prize offered anywhere for meekness, the writer feels sure it would be won by a shop-assistant.

Photo : Topical

CUTTING SUGAR CANE

BUSINESS QUALITIES

Continued from page 489

DELIBERATION

One cannot do wisely anything really useful without forethought, and this implies deliberation when it is exercised in the highest degree. To deliberate is to weigh facts or arguments with the view to a choice or decision; it is to ponder over the reasons for and against a proposed course of action; and to consider carefully the probable consequences of a step to be taken. One who deliberates does nothing sudden or rash; he is slow in determining, hesitating to come to a definite decision. We see this quality of deliberation exercised in the most perfect way in judicial administration, for judges by their training, and by a lofty conception of their duties, are naturally careful to act only after mature reflection. This faculty of deliberation seems to be particularly characteristic of the professions, and it is notable that the most successful lawyers, doctors, and clergymen possess it in a marked degree. Great military and naval leaders have invariably been men possessing the gift of deliberation, and in scientists it is a natural bent of their mind. Statesmanship and diplomacy are also essentially spheres in which deliberateness is highly requisite. It has been said that the man who can foresee a situation, and prepare for it, is the greatest genius of his time. The world has, indeed, always been directed by its thinkers.

Granted, then, that the quality of deliberation is so valuable, let us consider whether it is conspicuously displayed in business affairs. On the whole we think it is, and never was its value more widely recognised than to-day. The most successful men of business have invariably been men who have acted upon deliberation. Without an intelligent plan they could not have carried out their great schemes or built up the great enterprises associated with their names. Every successful practical man is first a thinking man. The force behind him is thought, and when he exercises his thinking powers he consciously or unconsciously deliberates.

Yet we often have the idea expressed or implied that the practical man is not deliberate; that he knows just the right step to take and does it intuitively. There is, in fact, a disposition to sneer at the deliberate man. We willingly admit that hesitancy, if the result of fear or want of confidence, is undesirable in business, or, indeed, in any walks of life, but deliberation is not a word to be used in this sense. It is rather timidity that is referred to, and the hesitation which comes of timidity often results in defeat or failure.

Deliberation is not mere mind-wandering or dreaming. A man may be so immersed in thinking about life that he never does anything at all, except the duties necessary to live. Some men do nothing because they think nothing worth doing. We must not allow our mental field and garden to be overrun with the weeds of useless thought-habits which hinder and incapacitate us for good work.

It is no easy matter to set oneself to real practical thinking, but if a well-cultured mind is to be obtained it must be done. Where there is inability to think out a plan it is usually through want of practice, or a result of poor practice. The weakness of some men is that they never submit themselves to the discipline of practice.

The man who is notable for careful deliberation is one who has learned to control his thoughts, and to direct them into a particular channel. We let different interests occupy our minds without realising that the consideration of either of them is fragmentary and unsatisfactory. To be able to think of one thing at a time thoroughly, earnestly and intensely, is an accomplishment. It is a rare gift to be able to elaborate a simple idea. He who acts from calculation is always thinking of the best means to be employed in pursuance of his policy, because he is guided by right reason. By deliberation we attain to a perception of the best means to the best ends.

Deliberation is, of course, useless unless it is a preliminary to action. We may conceive the most brilliant scheme, and think out the most original suggestion, but unless we have also the determination to see it through, the energy put into the thinking is wastefully applied. Thoughts have been well termed the seeds of acts, and with earnest people thought usually leads to action.

No time is really wasted that is given to deliberation, for we are less likely to make those mistakes of hasty judgment that retard progress. "The thoughts of our deliberations are the most accurate," said Bishop Hall. Deliberation, too, removes difficulties, for it is true, as Marcellinus said ages ago, that "Almost all difficulties may be got the better of by prudent thought, revolving and pondering much in the mind."

Men often ascribe their failures to ill-luck, when they should rather be attributed to want of forethought or to careless thinking. So many will not take the trouble to deliberate thoroughly. But even when we fail we may rise again if we reflect on our errors and profit by the lessons they teach us. "Little minds are tamed and subdued by misfortunes; great minds rise above them" (Washington Irving). Confidence is inspired by thoroughness to get to the bottom of things.

COMMERCIAL ENGLISH

Continued from page 491

KEY TO EXERCISES IN LESSON XI (p. 491).

(*a*) The Bishop said that he was a man of peace. Where they saw a hope of victory for what they thought, no doubt, a great cause, he saw above the *melée*, Strife and Confusion, and Fate, red with the blood of men. What, he asked, could they—and those who were at that meeting the day before—hope to gain by those proceedings?

(*b*) He said that all he knew was that in the last case of typhoid they had there—a poor lad on Reynold's farm—the boy's mother got him up every day while she made the bed, and fed him—whatever they could say—on suet dumplings and cheese. He died, of course; what, asked the speaker, could they do?

(*c*) The Duke of Wellington writing to Lord Derby said that his opinion was that the great object of all was that he (Lord Derby) should assume the station and exercise the influence which he (the Duke) had so long exercised in the House of Lords. The question was, how was that object to be attained? By guiding their opinion and decision, or by following it? He would see that the Duke had endeavoured to guide their opinion, and had succeeded upon some most remarkable occasions.

(*d*) He replied that he was sure that if the department could evince to the satisfaction of Parliament that the past management of the department had been such as the public interests required, no one would be more gratified than himself. He was not aware if it would be in his power to attend in his place on Monday; but if he could be so fortunate, he would listen to his (the official's) statement with his very best attention.

LESSON XII.

LETTER WRITING.—We have been through a fairly long course of instruction in the rules of grammar, the construction of sentences, and the meaning and use of words. These lessons have been directed mainly towards one end—the writing of simple business documents in clear and correct English. The document that you will have to prepare most frequently is the business letter, and the writing of a good business letter calls for the exercise of both knowledge and skill. As we have already stated, there is very little opportunity, nor, indeed, is there any necessity for fine literary "style" in a business letter.

The main points of style so far as concerns business correspondence are clearness and brevity.

CLEARNESS.—We have put clearness first, for clearness must never be subordinated to brevity.

Now, clearness depends mainly upon three things—

(1) Grammatical accuracy.
(2) Construction and arrangement of sentences and clauses.
(3) Choice of words.

1. **Grammatical Accuracy.** The text-books of English grammar are numerous, and many of them are bulky. The study of grammar in its philological and historical aspects is very interesting and even fascinating; and certainly the student who requires a knowledge of English for commercial purposes only will be no worse for a thorough understanding of all that is contained in the numerous and bulky text-books. The fact remains, however, that much of what is contained in the text-books is comparatively unimportant, because it does not directly affect written language. Such departments of grammar as the Passive Voice, Case of Nouns, and Gender, while important from the grammarian's standpoint, are unimportant to the business correspondent.

In the previous lessons we have selected the essentials of grammar, and you must master every one of the rules that we have given. Even among the essentials there are some rules of greater importance than others, and from among them we single out for special notice—

(1) Agreement of verb and noun.
(2) Use of participles.
(3) Use of the objective case of pronouns after transitive verbs and prepositions.
(4) Correct use of the distributives.

Mistakes in these are very common in business letters, and you must ever be on your guard against them.

2. **Construction and Arrangement of Sentences and Clauses.** Long involved sentences are out of place in business communications. You should confine each sentence to one main idea, in order that the reader may be able easily to grasp each separate point.

When you use complex sentences, take great care that the subordinate clauses are placed as close as possible to the words to which they refer.

3. **Choice of Words.** Under this head there is nothing more to be said beyond emphasising what we have pointed out already, viz., the simplest word which clearly conveys your meaning is the best. Never use a word unless you are sure of its exact meaning.

BREVITY.—Brevity is the second important characteristic of business correspondence. Clearness comes first, and clearness of meaning must never be sacrificed to brevity, nor should brevity be obtained by the omission of words that are

necessary for the correct construction of your sentences. Look up what was said in an earlier lesson on improper ellipsis, and take care that your sentences are such as can be analysed.

Many writers of commercial letters are in the habit of using certain expressions, which, although their meanings are quite clear, cannot be justified on grammatical grounds. An example of this practice is the well-known expression—

Yours to hand this morning.

The meaning is clear, but the English is bad. Brevity has been obtained by the sacrifice of good English. The expression means—

Your letter came to hand this morning, or—
Your letter reached me this morning.

Do not say—

Kindly note at foot of letter, instead of—
Kindly note at the foot of the letter.

Brevity does not depend merely upon fewness of words. If you avoid tautology and other forms of redundancy, and stick to the point, you need not be over anxious about an odd word here and there. Avoid diffuseness of matter and unnecessary details, and your business letters will be sufficiently brief.

PARAGRAPHING.—One of the most important matters to be considered in the construction of a business letter is the division into paragraphs. A paragraph is a group of sentences dealing with the same idea. It might be considered as a sub-division of the subject of the letter.

The sentences in each paragraph should follow one another in logical order, so that every sentence leads the mind of the reader to the next, and so on, until the end of the paragraph is reached.

There is no fixed length for the paragraph : it may be long or short. In business correspondence, however, it is better to have short paragraphs, as the end of a paragraph being a relief to the mind of the reader, the short paragraph allows the points to be driven home.

DIVISIONS OF A BUSINESS LETTER.—Every business letter should be divided into the following parts—

1. The Heading.
2. The Inside Address.
3. The Salutation.
4. The Body of the Letter.
5. The Complimentary Close.
6. The Signature.

The Heading. This includes the address of the writer and the date of the dispatch of the letter, e.g.—

53, *Threadneedle St.,*
London, E.C.
5th May, 1922.

Frequently the heading of a business letter is printed, and includes the name of the person or firm sending the letter. If the heading is not printed, it is not usual to write the name of the sender as part of the heading.

The heading should be carefully punctuated as shown in the example, especial care being taken to place the " abbreviation dot " after shortened forms of words, such as " St." for Street, " Rd." for Road.

The date should always be written in the following order : Day of the month, month, year, e.g. 7th June, 1922. Sometimes, instead of the name of the month, its order number is given, thus : 7/vi/1922 ; but it is far better to write the name in full, or in a recognised abbreviated form, as *Nov., Jan., Feb.*

The Inside Address. This consists of the name, title, and address of the person or firm to whom the letter is written. The inside address should correspond with the address on the envelope. It should be written near the left-hand side of the head of the letter paper. Copies of business letters are usually made and retained for reference ; and without the inside address a copy would be of very little use, as it would not show on its face to whom the original letter had been addressed.

The Salutation. This is the complimentary term describing the person or persons to whom the letter is written, e g.—

Sir, Dear Sir, Madam, Sirs, Dear Sirs, Gentlemen, Mesdames.

The abbreviation *Gents.* for *Gentlemen* is vulgar, and should never be used.

The Body of the Letter. This is the important part of the letter, and contains the information, inquiry, or message. In this part of the letter the rules of composition and grammar which you have been studying are put into practice.

The various topics or sub-divisions of the main topic should be arranged in the order of their importance, and each topic or sub-division should have a separate paragraph devoted to it.

The Complimentary Close and Signature. This is the phrase used immediately after the body of the letter to express the feelings of regard or respect on the part of the writer towards the person to whom the letter is addressed, e.g.—

I remain,
Yours faithfully,
William Jones.

We are, gentlemen,
Yours obediently,
Thomas Brown & Co.

The complimentary close should be carefully punctuated as shown in the examples.

Care must be taken to make the personal

pronoun—*I* or *we*—agree in number with the signature. You must not write—

I *remain*,
Yours obediently,
Smith & Robinson;

but WE *remain, etc.*

A person to whom authority has been given to sign documents on behalf of another person or firm is said to have *Power of Attorney*, or to sign *per procurationem*.

He should prefix to the name of the person or firm for whom he is signing, the abbreviation *p.p.*, and sign his own name below, e.g.—

p.p. The Mantle Co.,
Henry Smith.

Note that the abbreviation is *p.p.*, not *pp.*, which is the abbreviation for *pages*.

Note also that when an individual signs on behalf of a firm *per pro.*, the complimentary close must be in the plural number, as—

WE *remain*,
Yours faithfully,
p.p. Henry Brown & Sons,
John Smith.

Very frequently the closing sentence of a letter begins with a present participle. When this is the case, you must be careful to observe the rule for the correct relation of the participle. You will find that in many letters, what purports to be the closing sentence is only a participial phrase, e.g.—

Hoping to receive an early reply.
Yours faithfully,
Thomas Jones.

In this example the participle *hoping* is not attached to a noun or pronoun, and is, therefore, unrelated.

Whenever a letter is ended by a participial phrase, such phrase should be separated from the complimentary close by a comma only, and the complimentary close should begin with a personal pronoun—*I* or *We*—e.g.—

Hoping to receive an early reply,

I *remain*,
Yours faithfully,
Thomas Jones;

or—

Regretting our inability to supply the information,

WE *remain*,
Yours faithfully,
Jones Bros.

In these examples the participles *hoping* and *regretting* are attached to the pronouns *I* and *we* respectively.

The opening sentences of a business letter are very important, and demand careful consideration. All letters may roughly be divided into three classes: (1) Letters commencing a correspondence upon any subject; (2) letters in continuation of previous letters on the same subject; (3) letters in reply to previous letters.

The style and construction of the opening sentences of any letter will be determined by the class to which it belongs.

A letter in continuation of a correspondence should open with a reference to the previous letter and to the subject of the correspondence. A reply letter should open with a reference to the letter to which a reply is being made, and should give a brief summary of its contents.

We give below specimen opening sentences of each class—

(1) *We have been referred to you for information respecting the financial position of Brown Bros. of your town.*

(2) *With further reference to our inquiry of yesterday respecting the position of Brown Bros., we desire to add that . . . .*

(3) *We are in receipt of your letters of the 9th and 10th inst. asking for information respecting the financial position of Brown Bros. of this town. In reply, we beg to say . . . .*

(1) *I regret that I am obliged to call your attention to the serious inconvenience which I am being caused by the arrangements for loading and unloading wagons at your premises in City Road.*

(2) *On the 5th inst. I wrote to you to draw your attention to the serious inconvenience which I am being caused by your arrangements for loading and unloading wagons.*

(3) *I am in receipt of your communications of the 5th and 8th inst. calling my attention to the arrangements for loading and unloading wagons in City Road.*
In reply, I beg to say . . . .

EXERCISES.

1. Upon what does "style" in business correspondence depend?

2. Give the chief rules for the construction of sentences in a business letter.

3. What is the first requirement of a business document?

4. What should be avoided in the attainment of brevity in commercial correspondence?

5. What is a paragraph? Why should a business letter be paragraphed?

6. Give an example of each of the following parts of a business letter—
   (*a*) The Complimentary Close.
   (*b*) The Salutation.
   (*c*) The Heading.
   (*d*) The Inside Address.

BOOK-KEEPING

Continued from page 494

LESSON XII.

WORKING OF THE EXAMPLE.—The following is the complete record in the books of Arthur Brown of the transactions set forth in the example. The student is earnestly recommended carefully to follow out each transaction from its first entry in the subsidiary books, through the Ledgers, to the Trial Balance.

Certain slight differences between the forms and methods used in working this example and those illustrated in the earlier lessons will no doubt be observed by the student. In no case, however, do they deviate from the principles laid down there. Such variations as have been introduced are merely intended to show some of the different methods in which the principles referred to may be applied.

It will be noted that only in cases in which items appear on both sides of a Ledger Account have the balances been brought down. Where items appear only on one side, the fact of them standing alone shows them to be balances.

[Owing to limitations of space, it is possible to give only part of the worked example in the present Lesson. The remainder will follow in Lesson XIII.]

SALES DAY BOOK.

Date.	Name.	Goods.	Led. Fo.	Details. £ s. d.	Total. £ s. d.	Commission. Traveller. £ s. d.	Commission. Warehouse. £ s. d.
19..							
Jan. 6	B. Wilson	Tobacco		25 0 0			
		Cigars	1	30 0 0	55 0 0	55 0 0	
	R. Thomson ..	Cigarettes	2		40 0 0	40 0 0	
	W. White	Fancy Goods ..		32 0 0			
		Tobacco	3	130 0 0	162 0 0	162 0 0	
„ 8	J. Bishop	Cigars		120 0 0			
		Cigarettes	4	30 0 0	150 0 0	150 0 0	
	M. Black	Tobacco		190 0 0			
		Fancy Goods ..		40 0 0			
		Cigarettes	5	34 0 0	264 0 0	264 0 0	
	W. Bolton	Cigars		150 0 0			
		Fancy Goods ..		50 0 0			
		Tobacco	6	80 0 0	280 0 0	280 0 0	
„ 12	R. Burton	Tobacco	7		140 0 0		140 0 0
	W. Small	Cigars	8		30 0 0		30 0 0
	R. Turner	Cigarettes	9		90 0 0		90 0 0
„ 13	B. Wilson	Fancy Goods ..	1		90 0 0	90 0 0	
	R. Thompson ..	Cigars	2		45 0 0	45 0 0	
„ 18	R. Burton	Do.	7		90 0 0		90 0 0
	W. Small	Fancy Goods ..	8		40 0 0		40 0 0
	R. Turner	Tobacco	9		120 0 0		120 0 0
„ 27	R. Thomson ..	Do.	2		230 0 0	230 0 0	
	W. White	Fancy Goods ..		20 0 0			
		Cigars		140 0 0			
		Cigarettes	3	80 0 0	240 0 0	240 0 0	
	L. Pearson	Tobacco		120 0 0			
		Fancy Goods ..	10	15 0 0	135 0 0	135 0 0	
				I.L., fo. 2 17	£2,201 0 0	£1,691 0 0	£510 0 0
				Deduct Returns ..		35 0 0	
				Commission payable on		£1,656 0 0	

RETURNS INWARDS BOOK.

Date.	Name.	Goods.	Led. Fo.	Details. £	s.	d.	Total. £	s.	d.	Commission. Traveller. £	s.	d.	Warehouse. £	s.	d.
19..															
Jan. 20	R. Burton	Tobacco	7				30	0	0				30	0	0
	R. Turner	Cigarettes	9				10	0	0				10	0	0
,, 29	R. Thomson.. ..	Tobacco		20	0	0									
		Cigars	2	10	0	0	30	0	0	30	0	0			
	W. White	Fancy Goods ..	3				5	0	0	5	0	0			
				I.L., 218			£75	0	0	£35	0	0	£40	0	0

INVOICE ANALYSIS BOOK.

Invoice No.	Name.	Led. Fo.	Total. £	s.	d.	Purchases. To-bacco. £	s.	d.	Cigars. £	s.	d.	Cigar-ettes. £	s.	d.	Fancy Goods. £	s.	d.	Printing and Station-ery. £	s.	d.	Rent, Rates, & Taxes. £	s.	d.	Adver-tising. £	s.	d.	Capital Expenditure. Office Furni-ture. £	s.	d.	Etc. £	s.	d.
1	T. Jones & Co.	100	95	0	0																						95	0	0			
2	A. Barlow & Co.	101	40	0	0													40	0	0												
3	Tobacco Supply Co... ..	102	1700	0	0	600	0	0	800	0	0	300	0	0																		
4	Imperial Fancy Goods Co.	103	350	0	0										350	0	0															
5	A. Lettor	104	25	0	0																25	0	0									
6	Corporation of Manpool..	105	15	0	0																15	0	0									
7	Tobacco Supply Co... ..	102	540	0	0	320	0	0	140	0	0	80	0	0																		
8	Imperial Fancy Goods Co.	103	125	0	0										125	0	0															
9	Tobacco Supply Co... ..	102	650	0	0	200	0	0	150	0	0	300	0	0																		
			£3540	0	0	1120	0	0	1090	0	0	680	0	0	475	0	0	40	0	0	40	0	0				95	0	0			
						I. L., 2 11			I. L., 21 1			I. L., 2 11			I. L., 21 1			I L., 2 11			25 0 0 Rent			I. L. 2 13			I. L. 20 7				
																					15 0 0 Rates,										

I. L. 221

(Other analytical columns would be added if necessary.)

RETURNS OUTWARDS BOOK.

Date.	Credit Note No.	Name.	Goods.	Led. Fo.	Details. £	s.	d.	Total. £	s.	d.
Jan. 29	1	Tobacco Supply Co. ..	Tobacco		75	0	0			
			Cigars	102	40	0	0	115	0	0
,, ,,	2	Imperial Fancy Goods Co.	Fancy Goods	103				5	0	0
								£120	0	0
								I L., 219		

CASH ACCOUNT.

Dr. *Cr.*

19..			Discount £	s.	d.	Cash £	s.	d.	Bank £	s.	d.
Jan. 1	To A. B. Capital Acct.	I.L. 201							2000	0	0
,, 3	,, Do. do. ..	I.L. 201							1000	0	0
,, 4	,, Cash Sales (Tob'cco	I.L. 203				3	0	0			
,, 9	,, Do. do.	I.L. 203				2	10	0			
,, ,,	,, Do. (Cigars)	I.L. 203				5	0	0			
,, 10	,, B. Wilson ..	1	5	0	0				50	0	0
,, ,,	,, W. White.. ..	3	7	0	0				155	0	0
,, ,,	,, M. Black	5	15	0	0				249	0	0
,, ,,	,, Cash from Bank per contra ..	✓				5	12	0			
,, 17	,, B. Thomson ..	2	2	10	0				37	10	0
,, ,,	,, J. Bishop ..	4	10	0	0				140	0	0
,, ,,	,, W. Bolton ..	6	15	0	0				265	0	0
,, ,,	,, Cash from Bank per contra ..	✓				5	12	0			
,, 21	,, Cash Sales(Tob'cco	I.L. 203				10	0	0			
,, ,,	,, Do. (Cigarettes)	I.L 203				5	0	0			
,, ,,	,, Do. (Fancy goods)	I.L. 203				2	0	0			
,, ,,	,, Cash to Bank per contra ..	✓							20	0	0
,, 22	,, R. Burton ..	7	10	0	0				100	0	0
,, ,,	,, W. Small ..	8	5	0	0				65	0	0
,, ,,	,, R. Turner.. ..	9	15	0	0				185	0	0
,, 24	,, Cash from Bank per contra ..	✓				5	12	0			
,, 29	,, Cash from Bank per contra ..	✓				10	0	0			
,, 31	,, R. Thomson ..	2							200	0	0
,, ,,	,, W. White.. ..	3	15	0	0				220	0	0
			99	10	0	54	6	0	4686	10	0
,, ,,	,, Discounts received per contra ..	I.L. 216	245	10	0						
			£345	0	0	54	6	0	4686	10	0
19 Feb. 1	,, Balances brought down ..	✓				4	18	0	1846	2	10

19..			Discount £	s.	d.	Cash £	s.	d.	Bank £	s.	d.
									95	0	0
Jan. 4	By T. Jones & Co. ..	101							20	0	0
,, ,,	,, A. Barlow & Co...	102									
,, 7	,, Imperial Fancy Goods Co. ..	103							250	0	0
,, ,,	,, Tobacco Supply Co.	102							1000	0	0
		I.L.							30	0	0
,, 8	,, Petty Cash ..	204							25	0	0
,, 9	,, A. Lettor	104									
,, ,,	,, Corporation of Manpool ..	105							15	0	0
,, ,,	,, Imperial Fancy Goods Co. ..	103	17	10	0				82	10	0
,, ,,	,, Tobacco Supply Co.	102	170	0	0				530	0	0
		I.L.									
,, 10	,, Wages (Clerk) ..	205				1	15	0			
,, ,,	,, Cash from Bank per contra ..	✓							5	12	0
		I.L.									
,, ,,	,, Wages (Smith) ..	205				3	10	0			
		I.L.									
,, ,,	,, Travelling Exp'ns's	206				2	2	0			
,, 12	,, A. Barlow & Co...	101	1	0	0				19	0	0
		I.L.									
,, 17	,, Wages (Clerk) ..	205				1	15	0			
,, ,,	,, Cash from Bank per contra ..	✓							5	12	0
		I.L.									
,, ,,	,, Wages (Smith) ..	205				3	10	0			
		I.L									
,, ,,	,, Travelling Expns's	206				2	2	0			
		I.L.									
,, 19	,, A. Brown Drawings A/c.. ..	202							100	0	0
,, 21	,, Bank per contra..	✓				20	0	0			
,, 22	,, Tobacco Supply Co.	102	54	0	0				486	0	0
,, 24	,, Cash from Bank per contra ..	✓							5	12	0
		I.L.									
,, ,,	,, Wages (Clerk) ..	205				1	15	0			
		I.L.									
,, ,,	,, Do. (Smith) ..	205				3	10	0			
		I.L.									
,, ,,	,, Travelling Exp'ns's	206				2	2	0			
,, 29	,, Imperial Fancy Goods Co. ..	103	3	0	0				117	0	0
,, ,,	,, Self per contra ..	✓							10	0	0
		I.L.									
,, 31	,, Wages (Clerk) ..	205				1	15	0			
		I.L.									
,, ,,	,, Do. (Smith) ..	205				3	10	0			
		I.L.									
,, ,,	,, Travelling Exp'ns's	206				2	2	0			
		I.L.									
,, ,,	,, Commission ..	214							16	11	2
	Petty Cash payments—	I.L.									
	Travelling Exp'ns's	206							5	0	0
		I.L.									
	Postages, etc. ..	208							2	0	0
		I.L.									
	Carriage	209							15	0	0
		I.L.									
	Wages	205							2	0	0
		I.L.									
	Incidentals ..	210							3	10	0
			245	10	0	49	8	0	2840	7	2
,, ,,	,, Discounts allowed per contra ..	I.L. 215	99	10	0						
,, ,,	.. Balances carried down	✓				4	18	0	1846	2	10
			£345	0	0	54	6	0	4686	10	0

THE PERSONAL LEDGER.

1. *Dr.* B. WILSON. *Cr.*

19..		S.D.B.	£	s.	d.	19..		C.B.	£	s.	d.
Jan 6	To Goods ..	1	55	0	0	Jan. 10	By Cash ..	1	50	0	0
						,, ,,	,, Discount ..	,,	5	0	0
			£55	0	0				£55	0	0
		S.D.B.									
,, 13	,, Do.	1	90	0	0						

2. *Dr.* R. THOMSON. *Cr.*

19..		S.D.B.	£	s.	d.	19..		C.B.	£	s.	d.
Jan. 6	To Goods	1	40	0	0	Jan. 17	By Cash	1	37	10	0
						,, ,,	,, Discount ..	,,	2	10	0
			£40	0	0				£40	0	0
		S.D.B.						R.B.			
,, 13	,, Do.	1	45	0	0	Jan. 29	,, Returns ..	1	30	0	0
		S.D.B.						C.B.			
,, 27	,, Do.	1	230	0	0	,, 31	,, Cash (on A/c)	1	200	0	0
						,, ,,	,, Balance c/d ..	√	45	0	0
			£275	0	0				£275	0	0
19..											
Feb. 1	,, Balance b/d ..	√	45	0	0						

3. *Dr.* W. WHITE. *Cr.*

19..		S.D.B.	£	s.	d.	19..		C.B.	£	s.	d.
Jan. 6	To Goods ..	1	162	0	0	Jan. 10	By Cash	1	155	0	0
						,, ,,	,, Discount ..	,,	7	0	0
			£162	0	0				£162	0	0
		S.D.B.						R.B.			
,, 27	,, Do.	1	240	0	0	,, 29	,, Returns ..	1	5	0	0
								C.B.			
						,, 31	,, Cash	1	220	0	0
						,, ,,	,, Discount ..	,,	15	0	0
			£240	0	0				£240	0	0

4. *Dr.* J. BISHOP. *Cr.*

19..		S.D.B.	£	s.	d.	19..		C.B.	£	s.	d.
Jan. 8	To Goods ..	1	150	0	0	Jan. 17	By Cash	1	140	0	0
						,, ,,	,, Discount ..	,,	10	0	0
			£150	0	0				£150	0	0

5. *Dr.* M. BLACK. *Cr.*

19..		S.D.B.	£	s.	d.	19..		C.B.	£	s.	d.
Jan. 8	To Goods	1	264	0	0	Jan. 10	By Cash	1	249	0	0
						,, ,,	,, Discount ..	,,	15	0	0
			£264	0	0				£264	0	0

SHORTHAND

Continued from page 497

Key to Exercise 37.

1. Dines, duns or dunce, dances, danced, fines, fans, announce, nouns, announces, pronounces.

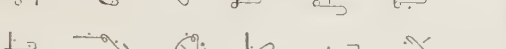
2.

3.

4.

Key to Exercise 38.

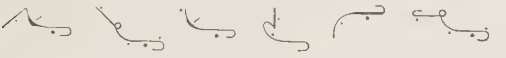
1. Provision, resolution, diffusion, oppression, section, bisection, persuasion, intrusion, station, tradition.

2. 

3.

Key to Exercise 39.

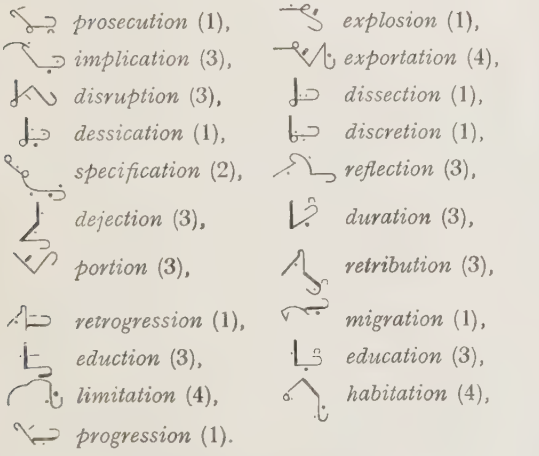
1. Affection, invocation, refection, suffocation, selection, migration, inclusion.

2. 

Key to Exercise 40.

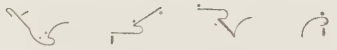
1. Imitation, logician, eruption, rejection, erection, irrigation, rotation, irritation, adoption.

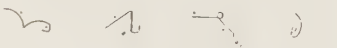
2.

3. 
prosecution (1), *explosion* (1),
implication (3), *exportation* (4),
disruption (3), *dissection* (1),
dessication (1), *discretion* (1),
specification (2), *reflection* (3),
dejection (3), *duration* (3),
portion (3), *retribution* (3),
retrogression (1), *migration* (1),
eduction (3), *education* (3),
limitation (4), *habitation* (4),
progression (1).

Key to Exercise 41.

1. Physicians, musicianly, incisions, intuition, processional, accentuation, sensations, revisionary.

2. 

3. 

4.

LESSON XII.

THE ASPIRATE.—From the alphabet you will already be familiar with the two forms of the *H*, upward and downward

Downward *H*. 1. For the purpose of obtaining a distinctive outline, downward *H* is always written when the *H* is the only consonant in a word, as *hie, high*; *hay*, *ahoy*, *Ohio.*

2. To obtain sharp angles, downward *H* is used before the SIMPLE strokes — — *K, G*; as, *hack*, *hockey*, *hexagon*, *Higgins.*

Tick *H*. 3. Before the strokes and , this downward *H* is shortened into a tick, only a small portion of the *H* being written. Thus, instead of writing the full strokes the outline is shortened to

Notice particularly the DIRECTION of the tick. You will then not confuse it with the diphthong in such fo ms as *isle, I'll*; *I'm.*

Examples of the Tick *H*.

To *M*. *hemlock*, *hammock.*

To *L* (up). *hail, hale*; *hailstones*; *hole, whole*; *wholesome.*

To *R* (down). *hear*, *hark*, *harmlessly*, *hoar-frost*, *hurl.*

Further notice that the tick *H* is never used with the upward form of *r*.

The tick *h* may be employed medially in phrasing, but *not in words*; thus *for whom*; but *mohair.*

Omission of *H*. USE OF DOT. On referring to the alphabet you will find that all the letters are simple strokes, straight or curved, except four:

. When these consonants follow other strokes, the initial hook or circle is sometimes in the way, preventing as it does a sharp joining. When this is the case, in many LONG WORDS we omit the MEDIAL *H* so as to obtain an easy outline. When we do so, however, we must be quite sure that the outline is EASILY READABLE WITHOUT THE *H*.

To show clearly that an *H* has been omitted, a dot is placed against the following vowel, the vowel coming nearest to the stroke. Thus, *manhood,* *Rainhill.*

In the following endings, and a few others, the *H* is often omitted on account of the difficulty of writing it in full: **-head,** as in *Maidenhead;* **-hood,** as in *brotherhood;* **-house,** as in *wash-house;* **-hill,** as in *Dunhill;* **-hole,** as in *bunghole.*

Grammalogues. Remember to write *have,* but *heave;* *had,* but *heed,* etc,

Upward *H*. This form is more often used than any of the others, because it joins more readily with other strokes and abbreviations.

1. Initially, it is always to be used when followed by a circle, loop or hook, as—

hiss, *hose,* *houses,* *husky,* *hasten,* *hoist,* *housed,* *hone,* *heave,* *Henry.*

2 Also when followed by the strokes *n* or *ng* , or by an initially-hooked horizontal stroke, as, *honey,* *honeymoon,* *hanged,* *Huckleberry,* *hawkers.*

3. Before downstrokes, except those previously mentioned. (See Tick *H*.) Thus we have—

hoop, *hobble,* *haughty,* *headstone,* *hitch,* *hedgehog,* *Howth,* *heather.*

4. When followed by a straight upstroke, as in *Harrow,* *hero,* *hurricane.*

Medial *H* **up.** In a few cases it is not safe to omit the *H* in the middle of a word, as the outline without the *H* might possibly be misread. In such cases it is inserted in the following manner:

After *P, B.* *upheave,* *behave,* *behead.*

After *T, D.* *adhere,* *Teheran.*

After *J* and upstrokes.

Jehovah, *rehearse.*

Note that in the first six examples the circle is made with a left motion, after the manner in which *t skr,* *d skr,* and *d sgr* are written. Thus, *t s kr,* *t h.*

Medial *H* **down.** Medial H downward may be inserted, where needed to give distinctness to an outline, thus, *Bahamas,* *cohere,* *cohesion,* *mahogany,* *mohair.*

Note that the circle of the *h* takes its normal direction.

When the downward *h* follows) or), it is more easily written inside the curve; thus,

Neither of these outlines can be misunderstood, as the combinations *s s ch* and *sh s ch* do not occur. Hence we write *Soho* and *Sheehy.*

When the circle of the *h* follows the circle *s*, the two small circles are combined into one large one, thus, *Fitzharry.*

The Prefix " *UN* **" before** *H*. As a general rule, the prefixing of "*un*" does not alter the form of a word which begins with *H*. Thus, we write *unhitch,* *unhung,* *unheeding,* the circle of the *H* being written in its usual direction, and not inside the curve.

Compare *n s r* with *n h.*

Again we have *hook,* and *unhook,* the *H* remaining unaltered.

Compare *n s ch* with *n h.*

Where tick *H* commences a word, however, this tick is omitted after "*un*" and the dot substituted; thus, *harm,* *unharm,* *hallowed,* *unhallowed.*

Notice also *happy,* *unhappy.*

EXERCISE 42.

1. Hooking, hooker, hag, hogshead, higheR, hoists.
2. Hisses, hives, hones, honest, honesty, honourable.
3. Humbly, haiR, hurried, horizon, unhung, hoRRoR.
4. Holiday, unhealthy, haRpoon, Harrop, ahoy, Hugh.
5. Hughes, helm, hemlock, hoop, hopper.
6. Apprehensive, greenhouse, heavens, happens.

COMMERCIAL ARITHMETIC

Continued from page 500

ANSWERS TO EXERCISE K.

1. 21st October.
2. £369 15s. 8d.
3. 7th July—128 days from 1st March.
4. 31st July—546 days from 1st Feb.

LESSON XII.

PARTNERSHIPS.—A partnership is an association of two or more persons for the carrying on of any trade or profession. An agreement, called the "Articles of Partnership," is drawn up, and this document generally contains, among other matters, provision as to the division of the profits among the partners. If no provision is made in the articles for sharing the profits or bearing the losses, these must be divided equally. (Partnership Act, 1890.)

In this lesson we shall assume that the profits or losses are divided in proportion to the amounts subscribed by the several partners. This is the practice which obtains in arithmetic.

When the money is subscribed by each partner for the same length of time, the share of the profit is found by the method of proportional division, which was explained in Lesson VIII. The partner would receive the same fraction of the profits, as his capital is of the whole capital. If, however, the capital of each partner is not contributed for the same length of time, then the share of the profits depends not only on the amount of capital contributed by each partner, but also on the time for which it was subscribed. It is necessary in such a case to express the partners' capitals as equivalent sums for the same time (generally one month).

EXAMPLE: On 1st January A and B enter into partnership, A contributing £2,000 and B £1,500. At the end of 3 months A adds £500 to his capital, and at the end of a further 3 months B increases his by £500. The profits at the end of the year amount to £618 15s. 0d.; how much should each receive?

The capitals of A and B should be expressed as equivalent amounts for 1 month.

A has £2,000 for 3 mths. which = £ 6,000 for 1 mth.
A ,, 2,500 ,, 9 ,, ,, = £22,500 ,, ,,
B ,, 1,500 ,, 6 ,, ,, = £ 9,000 ,, ,,
B ,, 2,000 ,, 6 ,, ,, = £12,000 ,, ,,
∴ A's equivalent capital = £285 00 ,, ,,
B's ,, ,, = £210 00 ,, ,,
£495 00

$$\therefore \text{A's share of the profits} = \frac{285}{495} = \frac{19}{33}$$

$$\text{B's} \quad ,, \quad ,, \quad ,, \quad = \frac{210}{495} = \frac{14}{33}$$

$$\therefore \text{A gets } \frac{19}{33} \times £618\ 15s.\ 0d.$$

$$= \frac{19}{33} \times \frac{2475}{4} = \frac{19 \times 75}{4}$$

$$= £356\ 5s.\ 0d.$$

$$\text{B gets } \frac{14}{33} \times £618\ 15s.\ 0d.$$

$$= \frac{14}{33} \times \frac{2475}{4} = \frac{7 \times 75}{2}$$

$$= £262\ 10s.\ 0d.$$

EXAMPLE: A and B enter into partnership with £2,500 and £1,000 respectively. B is the working partner and receives 10 per cent. of the profits; the remainder is divided in proportion to the capital contributed by each. What does each receive out of a profit of £700?

$\frac{1}{10}$ of £700 = £70
∴ remainder = £630

A contributes $\frac{5}{7}$ of the capital
B ,, $\frac{2}{7}$,, ,,
∴ A gets $\frac{5}{7} \times 630$ = £450
B ,, $\frac{2}{7} \times 630$ = 180
B ,, as manager 70
∴ A gets £450 and B gets £250.

PARTNERS' DRAWINGS.—Provision should also be made in the Articles for interest on capital and on partners' drawings. The interest on capital may be calculated on the equivalent capital. The interest on drawings should be reckoned for the period from the date of drawing to that of striking the balance. The items would be entered on the *Dr.* side of the Drawing Account, and transferred to the *Dr.* side of the Capital Account at the end of the period.

EXAMPLE: A partner withdraws £25 on 7th April, £30 on 15th June, £40 on 1st August and £20 on 25th October. Find the amount transferred to the debit of his Capital Account on 31st December, interest being at 5 per cent.

From 7th April to 31st December = 268 days
,, 15th June ,, ,, = 199 ,,
,, 1st August ,, ,, = 152 ,,
,, 25th October ,, ,, = 67 ,,
Int. on £25 for 268 days = int. on £6,700 for 1 day.
,, £30 ,, 199 ,, = ,, £5,970 ,, ,,
,, £40 ,, 152 ,, = ,, £6,080 ,, ,,
,, £20 ,, 67 ,, = ,, £1,340 ,, ,,
Total Interest = ,, £20,090 ,, ,,

Interest on £20,090 for 1 day at 5 per cent.

$$= \frac{2009}{3} \text{ pence} = £2\ 15s.\ 10d.$$

	£	s.	d.
	2	15	10
less 1d. for each 6/- =			9
	2	15	1

(approximately).

Dr. DRAWINGS ACCOUNT.

		Days.	Product.	£	s.	d.
April 7	To Cash	268	6,700	25	0	0
June 15	,, ,,	199	5,970	30	0	0
Aug. 1	,, ,,	152	6,080	40	0	0
Oct. 25	,, ,,	67	1,340	20	0	0
Dec. 31	,, Interest		20,090	2	15	1
				117	15	1

COMPOUND INTEREST.—The interest on a given principal or debt is due at a certain time. If it is not paid then, the interest is added to the principal, and interest for the next period is calculated on the amount. If the interest is due yearly or half-yearly, or at other periodical intervals, the interest is said to be convertible yearly, half-yearly, etc. We sometimes say that the principal and interest are accumulated with yearly, half-yearly, etc., rests.

Suppose a person borrows £100 at 4 per cent. If the interest, £4, is not paid at the end of the year, the principal for the next year would be taken as £104. The interest on £104 for 1 year at 4 per cent. is £4 16s., hence the principal at the beginning of the 3rd year would be £108 16s. The interest on this amount for 1 year at 4 per cent. is £4·3264; therefore, the amount owing at the end of the 3rd year would be £112·4864 or £112 9s. 9d. As the original principal was £100, the compound interest must be £12 9s. 9d.

This may be set down as follows—

	£	
	100	Principal (1)
4 %	4·	Interest (1)
	104	Principal (2)
4 %	4·16	Interest (2)
	108·16	Principal (3)
4 %	4·3264	Interest (3)
	112·4864	
	100·	
	12·4864	Interest for 3 years.

EXAMPLE: Find the compound interest on £375 10s. 0d. for 3 years, interest at 3¾ per cent. being convertible yearly.

It is advisable to work with decimals. The interest at 3 per cent. may be obtained by multiplying the principal by ·03—i.e. multiplying by 3 and moving the figures two places to the right. As ¾ is ¼ of 3, ¾ per cent. is obtained by dividing the amount at 3 per cent. by 4. It is not necessary to work beyond the fourth place of decimals, as one farthing is ·001 of £1 (approximately).

	375·5	Principal (1)
3 %	11·265	Interest (1)
¾ %	2·8162	
	389·5812	Principal (2)
3 %	11·6874	Interest (2)
¾ %	2·9219	
	404·1905	Principal (3)
3 %	12·1257	Interest (3)
¾ %	3·0314	
	419·3476	Amount at end of 3rd year
	375·5	Principal (1)
	43·8476	Interest for 3 years

Interest = £43 16s. 11d.

3 % of 37·5 = 37·5 × ·03 or = ·375 × 3

The first figure in the multiplication will be in the 3rd place of decimals.

3 % of 389·5812 = 389·5812 × ·03

This multiplication would give six places of decimals. We have decided that we shall not work beyond the fourth place; hence 389·58 would be multiplied by ·03, allowance being made for the carry (if any). We should say—8 × 3 = 24; set down 4 in the 4th place.

EXAMPLE: What will £825 17s. 6d. amount to in 1½ years at 3½ per cent., interest accumulating with the principal half-yearly?

The interest on £100 for 1 year = 3½

∴ ,, ,, ,, ,, ½ ,, = 1¾

We must therefore calculate the interest for three periods at the rate of 1¾ per cent. per period.

	£	
	825·875	Principal (1)
1 %	8·2588	
½ %	4·1294	Interest (1)
¼ %	2·0647	
	840·3279	Principal (2)
1 %	8·4033	
½ %	4·2016	Interest (2)
¼ %	2·1008	
	855·0336	Principal (3)

	855·0336	Principal (3)
1 %	8·5503	
½ %	4·2751	Interest (3)
¼ %	2·1376	
	869·9966	

Amount = £869 19s. 11d.

An alternative method is to find the amount of £1 at the given rate for the given time. The amount of any principal may then be found by multiplication.

Let the interest on £1 for 1 year = i.

Then £1 in 1 year amounts to $1 + i$.

The principal at the beginning of the 2nd year will therefore be $(1 + i)$.

Now as £1 in 1 year amounts to $(1 + i)$

$\therefore$ £1$(1 + i)$ in 1 year amounts to $(1 + i)\ (1 + i)$ or $(1 + i)^2$

$\therefore$ the amount at the end of the 2nd year $= (1 + i)^2$

and " " " 3rd " $= (1 + i)^3$

" " " 4th " $= (1 + i)^4$

etc.

At 4 %, $i = \cdot 04$

3 %, $i = \cdot 03$

2½ %, $i = \cdot 025$, etc.

EXAMPLE: What will £337 15s. 0d. amount to in 3 years at 4½ per cent., interest payable yearly?

First determine the amount of £1 for 3 years.

At 4½ % $i = \cdot 045$

$\therefore (1 + i) = 1 \cdot 045$

In 3 years £1 amounts to $(1 + i)^3$

" " $(1 \cdot 045)^3$

1·045	$1 + i$
·04180	
· 5225	
1·092025	$(1 + i)^2$
· 43681	
5460	
1·141166	$(1 + i)^3$

£1 amounts to £1·141166

$\therefore$ £337·75 " " 337·75 × 1·141166

337·75
1·141166
337·75
33·775
13·5100
·3378
·0338
·0202
·0020
385·4288

Amount = £385 8s. 7d.

NOMINAL AND EFFECTIVE RATES.—Suppose that £100 is invested at 4 per cent per annum, interest being convertible half yearly. The interest earned during the year will be greater than £4, as the principal during the second half-year will be £102 (i.e. principal + interest).

100
2
102
2·04
104·04

That is, £100 amounts to £104·04 in 1 year at 4 per cent. per annum, interest convertible half-yearly. Hence rate = 4·04 per cent. per annum.

4 % is called the nominal rate.

4·04 % " " effective rate.

The following table shows the difference between the nominal and effective rates.

Nominal rate per cent.	Effective rates when interest is convertible.	
	Half-yearly.	Quarterly.
3	3·0225	3·0339
3·5	3·5306	3·5462
4	4·0400	4·0604
4·5	4·5506	4·5765
5	5·0625	5·0945

EXERCISE L.

1. A and B are partners in a business in which A has £3,000 and B, £4,500. At the end of six months, A withdraws £500, and three months later B increases his capital by £1,500. The gross profits for the first year are £2,375, but £55 is paid for insurance of the premises, and £295 for other expenses. A is manager and is to receive 10 per cent. of the net profits; the remainder is to be divided in proportion to the capital. What should A and B receive?

2. A partner's drawings were as follows—£35 on 1st April, £25 on 5th June, £56 on 20th August, and £20 on 5th November. What amount would be transferred to the debit of Capital Account on 31st December, interest being charged at 5 per cent.?

3. Find the compound interest on £429 10s. 0d. for three years at 3½ per cent.

4. What is the difference in the interest on £218 15s. 0d. for one year at 4½ per cent. if reckoned (*a*) half-yearly; (*b*) quarterly?

HANDWRITING

Continued from page 501

LESSON XII.

LINE 4. The final *t* in "Guest" is one that should be used at the end of a word. It is, however, frequently employed in the body of a word by copper-plate engravers and lithographic writers.

LINE 6. This form of *W* is very easy to make, especially if its formation, as shown in the exercise, is carefully followed. Aim at uniformity of height in the capitals. A well-written page may be robbed of its effect if one capital is made out of proportion to the others. Avoid making your capitals too large. This is a matter of the greatest importance. The proportion should be as shown in the exercises. There is no fixed law in the matter, but good taste and common sense alike suggest that a capital impinging on the line above or below is quite out of place. If you have a tendency to write your capitals too large, go to the opposite extreme and make them too small. By doing this for a time you will eventually arrive at the happy medium you should aim at. Remember that a very small capital looks better than a very large one, and helps to impart neatness of appearance.

EXERCISE XII.

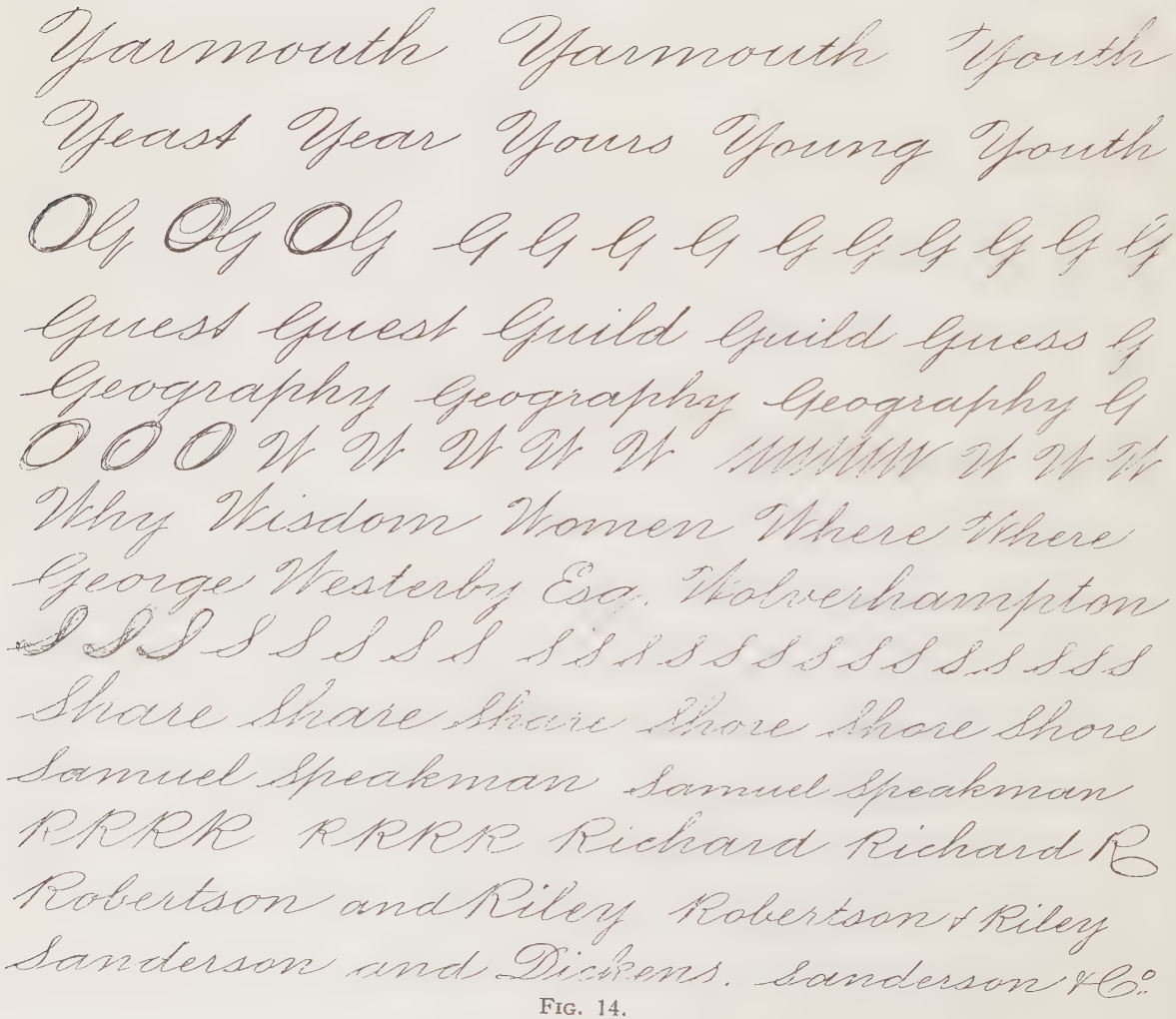

Yarmouth Yarmouth Youth
Yeast Year Yours Young Youth
Guest Guest Guild Guild Guess
Geography Geography Geography
Why Wisdom Women Where Where
George Westerby Esq. Wolverhampton
Share Share Share Shore Shore Shore
Samuel Speakman Samuel Speakman
Richard Richard
Robertson and Riley Robertson & Riley
Sanderson and Dickens. Sanderson & Co.

FIG. 14.

TYPEWRITING

Continued from page 502

LESSON XII.

SPECIFICATIONS.—These are typed on *foolscap* paper, and duplicates are obtained by carbon interleaves, just in the same manner as the duplicate of a letter, only, as a general rule, several copies are required, which, of course, necessitates an additional sheet of paper and carbon for every extra copy. If more than four or five copies are requisite, it is better to type them in sets of four or five at a time, in order to insure *clear* duplicates. The number of copies obtainable at one operation depends, in a great measure, on the stoutness of the paper, but also to a certain extent on the condition of the type and the cylinder or platen. Worn type never produce clear copies, and a fairly hard cylinder or platen is preferable for manifolding.

The various typewriter companies issue booklets of samples of typewriting paper, and from these samples the student should make a selection from those marked "manifolding." Of course, the thinner the paper, the greater the number of possible copies.

There are two styles of specifications, namely, engineers' and builders'. The heading in the former style is set out differently from the latter, being centred between the common margin (usually 15) and 72. Very often the upper part of the heading is *printed;* but whether it be the whole or part of the heading which has to be typed, it should be well-displayed and accurately centred over the typescript.

The heading in a builder's specification is always typed, and the word "Specification" usually begins at 15, with the following lines indented to 20, and the name and address of the Surveyor or Architect indented to 30, with each succeeding line indented *five* spaces from the preceding one. Then follows the date at the common margin, with an extra line space before and after it, and the sub-heading, if there be one, is centred between 15 and 72.

The marginal notes, in either style, may be typed flush with one another, generally at 0, or centred between 0 and 15, but they should always be in capitals, and are improved by underscoring.

No hard-and-fast rule can be laid down with regard to line spacing, but, generally speaking, double is preferred for short specifications and single for long ones, with either four before and three after sub-headings and three between the paragraphs, or three before and two after sub-headings and two between the paragraphs.

Of course, if the typewriter is an up-to-date one, the column selector should be employed for the paragraphs, and the marginal release to enter the margin for marginal notes; while the variable spacer is brought into play for turning the paper up a shade when typing the double or treble lines under the headings, etc.

In typing the indorsement on the sheet which is to be fastened at the back of the specification, there are two ways of folding the paper, namely, in *half lengthwise* or in *four crosswise*, the indorsement being typed in both cases in the *second* section from the *left* hand. It is never wise to fold a very long specification in four on account of its bulk, although this style of folding looks well for a short one.

Exercise 21.

Set out the inset engineer's specification on *foolscap* paper, taking two carbon copies.

Centre the heading between 15 and 72, following the rule given in Lesson XI, and allow ample line-spacing between the various lines of the heading.

Set the line space gauge for double line spacing and employ treble between the paragraphs.

Set the margin for 15, a column selector stop for 20, and employ the marginal release to enter the margin for marginal notes, and the column selector key for paragraphs.

Fold a sheet of foolscap paper in half lengthwise, and indorse in the second section from the left hand.

Pin the indorsement at the back of the other sheets and fold over the indorsed section to the front.

Exercise 22.

Set out the inset builder's specification on foolscap paper and take three carbon copies.

Set the margin for 15, a column selector stop for 20, and employ the marginal release for entering the margin.

Set the line space gauge for double line spacing and employ treble between the paragraphs, and four single line spaces before and three after the sub-headings.

Begin the word "Specification" at 15, indent the following lines to 20, and type the name and address at 30, 35, 40, and 45.

Fold a sheet of foolscap paper in four crosswise, and type the indorsement in the second section from the left hand.

Check carefully with the original, and correct if necessary. Attach indorsement to the back and fold in four.

COMMERCIAL GEOGRAPHY

Continued from page 455

LESSON IX.

INLAND WATERWAYS.—There was a time when ships outgrew the older ports, and new outports were established nearer the ocean. But the importance of carrying goods as far inland as possible was so great, that large sums of money were paid to make the older ports accessible to modern ships, and the outports have declined in importance.

The first great States of antiquity—Egypt, Babylonia, and Assyria—all took their rise on the banks of navigable streams, and streams which could also be used for irrigation. The commerce of China centres round its great rivers, whilst the great rivers of North America marked out the chief lines of progress in settling the land. The traffic on the Canadian canals more than doubled between 1908 and 1911. In Russia the streams form the main arteries of commerce. Mannheim, far up the Rhine as it is, is one of the important ports of Europe. In mediæval England, fairs were held chiefly at places accessible by water, for carriage by land was very difficult and expensive. Nijni Novgorod, where the greatest fair in Europe is held, is on the Volga, where the great tributaries the Oka and the Kama give access to great tracts of country. These facts may serve to show the importance of these inland waterways.

Rivers and Lakes. The first thing to be done is to make use of such rivers and lakes as exist, and then to connect them by canals, as was done in the case of the Tigris and the Euphrates. The use of locks was not known till the fourteenth or fifteenth century, so that it was only possible to connect points very nearly at the same level. Then the stream itself may be regulated, so as to render navigation safer or more convenient. Dangerous or impassable spots may be avoided by short canals, as in the case of Niagara, or obstructions may be removed.

The story of the regulation of the Danube will illustrate what has been done in many other cases. In 1871 the Treaty of London authorised the Powers possessing its shores to come to an agreement with a view to removing certain impediments to its navigation, and to levy a toll on vessels using the stream until the extinction of the debt contracted to carry out the works. Nothing was done, however, and in 1875 the task was entrusted to Austria alone. At Old Moldava there was a bank of rocks, some dry at low water, almost across the stream—the length of the rapids being 1,100 yards—through which a way was cut. At the Iron Gates a channel—80 yards wide, 2,000 yards long, and 10 feet deep—had to be cut on the Servian side of the river, through solid rock. This can now be navigated at all times except when the river is frozen. These are some examples of what had to be done in the regulation of the stream. From Braila to the mouth the stream is under the control of the European Commission of the Danube, which was brought into existence by the Treaty of Paris, 1856. Great works have been carried out at the delta: first at the St. George's mouth and then at the Sulina mouth. In 1894 the entrance of the former was so deepened as to provide a channel 24 ft. deep and 300 ft. broad between the piers until deep water was reached. It has been calculated that between 1861 and 1902, as a result of the improvements made in the navigation of the stream, the total tonnage of ships frequenting the Danube increased fivefold, while the mean size of the ships increased tenfold. The river forms a great highway, not only for goods, but also for passengers along its whole course from Ratisbon.

Canals. There have been many and bitter complaints about the canals of our own country. The fact of the matter seems to be that speed is so important nowadays, that the railways are preferred, even though the cost is greater. The recent rise in railway rates may perhaps be of some service to the canals, but this is doubtful, for an increase of motor traffic seems more likely to take place. The time spent in going through locks is very considerable, and in some cases various forms of incline have been used which save both water and time. Vertical lifts have been used where the difference of level occurs in a short stretch. The slowness of haulage is a great disadvantage, and hauling by animals is not, in any case, very cheap. On a narrow canal the maximum speed is 3½ miles per hour. Steam haulage by means of a tug has been used with advantage where locks are rare or are big enough to take the tug and its train of barges. Barges driven by petrol motors have been proposed, and on the Continent motors have been used on the towing path instead of horses.

One of the greatest works of this class in our own country is the Manchester Ship Canal, and, though the financial profit is very small, it has been of very great benefit to the trade of the city. Recently a suggestion has been put forward for a ship canal from the Humber to Leeds, which has roused a great deal of interest.

Germany, spurred on by the success of the Dortmund-Ems and the Kiel Canals, was, previous to the war, entering on large schemes to improve its waterways. It was proposed to join all the rivers by a large canal running east and west. The navigation of the Rhine, now possible as far as Strassburg for large vessels, was to be extended to Basel.

ESTABLISHED 1820.

JAMESON & SONS, LIMITED,

THE ATLAS WORKS.

Sheffield.

SPECIFICATION

- for -

COMPOUND VERTICAL ENGINE, WITH FORCED LUBRICATION.

E

The engine to be of the Compound Vertical type. The high and low-pressure cylinders to form separate castings bolted to a cast-iron entablature attached to a box section closed standard frame. The standard to be connected by a faced joint to a massive cast-iron base, having the crank shaft bearings cast upon it. The sides of the castings to be provided with doors giving access to all working parts.

LINDERS

To be of the best close-grained cold blast iron, free from all imperfections. To be fitted with cast iron liners bored out perfectly true and bell-mouthed at each end. All stuffing boxes to have gun-metal neck brushes. Each cylinder to be lagged, and to have cylinder drain cocks and relief valves.

(1427)—hcl. pp. 552 & 553

PISTONS — The high-pressure piston to be of cast-iron and the low-pressure to be of steel, and each to be made of the same weight so as to balance each other. The pistons to be fitted to cones on the end of the piston rod, and when completed to be of an easy and accurate fit.

PISTON RODS — To be of steel, coned at each end for attachment to pistons and crossheads.

CROSSHEADS — To be of a special steel mixture, firmly attached to piston rods, and provided with cast-iron slippers, working in the tooled guides.

VALVE GEAR — The high-pressure cylinder to have piston-slide valve made from special metal.

The low-pressure valve to be of the flat type. The valve rods to work in guides carried from the engine frame, and provided with proper adjustment for taking up the wear.

CONNECTING RODS — To be of the best mild steel, the one end to have gun-metal step with steel-turned bolts, and the other end to be solid with large gun-metal step. The connecting rods to be at least four strokes in length.

SHAFT CRANK — To be of the best steel with necks slotted out. The throws of the cranks to be placed opposite each

other, and each of them to be independently balanced Each crank pin to have continuous lubrication while running.

MAIN BEARINGS — To be three in number - two outside and one in the centre - and to be of metal and also adjustable for wear.

BED-PLATE — To be of the box pattern, having three bearings for crank shaft cast on it, with facings for the box standard. The bed-plate to be planed on the top and under side for attaching to the foundations.

FLY-WHEEL — To be of solid pattern and made of cast-iron, and accurately bored and keyed upon crank-shaft on the low-pressure side of the engine. Barring holes to be in the rim.

LUBRICATION — To be of the forced type from an oscillating pump, fitted inside the bed and driven from the crank shaft, the oil being forced under pressure to the whole of the working parts of the engine, and the engine-bed forming an oil well.

(Incomplete)

S P E C I F I C A T I O N

for -

COMPOUND VERTICAL ENGINE,

WITH FORCED LUBRICATION.

Jameson & Sons, Ltd.,

The Atlas Works,

S h e f f i e l d.

S P E C I F I C A T I O N of work to be done and materials to be used in the erection of the proposed business premises, consisting of Dwelling-house, Shop and Workshop at 157 High Street, Chelsea, for Mr. Robert Atkinson by

S. T. HENDERSON,
Surveyor,
51 John Street,
C h e l s e a.

September, 19...

PRELIMINARY.

NOTICES

The building is to be completed fit for occupation by the 31st December next, subject to a penalty of £5 per week for every week after the aforesaid date that the works shall remain incomplete, such penalty to be deducted from the amount of the Contract, as liquidated damages.

The Contractor shall be paid at the rate of 75 per cent of the value of the work done, upon the production of the Surveyor's certificate, and a further 15 per cent on the presentation by him of the Surveyor's certificate of completion, and the balance on the presentation of the Surveyor's final certificate, such final certificate to be issued at

the expiration of six months from the date of completion.

Any defects, or other faults, which may appear within six months from the date of the Surveyor's certificate of completion, shall be made good by the Contractor at his own cost.

The Contractor shall when necessary and on completion of the work clear away all rubbish, or surplus material, and he shall also clean out all gutters, &c., test flues, clean all glass and leave every part of the building and site clean and fit for occupation.

The works, during erection, shall be under the Contractor's charge, and he shall be held liable for, and make good any damages to the works whatsoever.

The materials and workmanship throughout are to be of the very best quality.

The work is to be done to the entire satisfaction of Mr. Robert Atkinson, or his Surveyor, and is to be completed in accordance with the drawings and specification.

EXCAVATOR.

EXCAVATIONS

Excavate for and dig trenches as shown on the drawings. Well ram bottoms before concreting.

Excavate for drains as shown on the plans and carry out and complete to the satisfaction of the Local Authorities.

Wheel surplus earth excavated from the trenches to make up ground under workshop floor and well ram.

OUNDATIONS

Lay 4" concrete under workshop and shop floor, also to yard. Lay to falls in yard, also to entrance of workshop and gullies. Concrete under hearths as required by the Authorities.

BRICKLAYER.

BRICKWORK

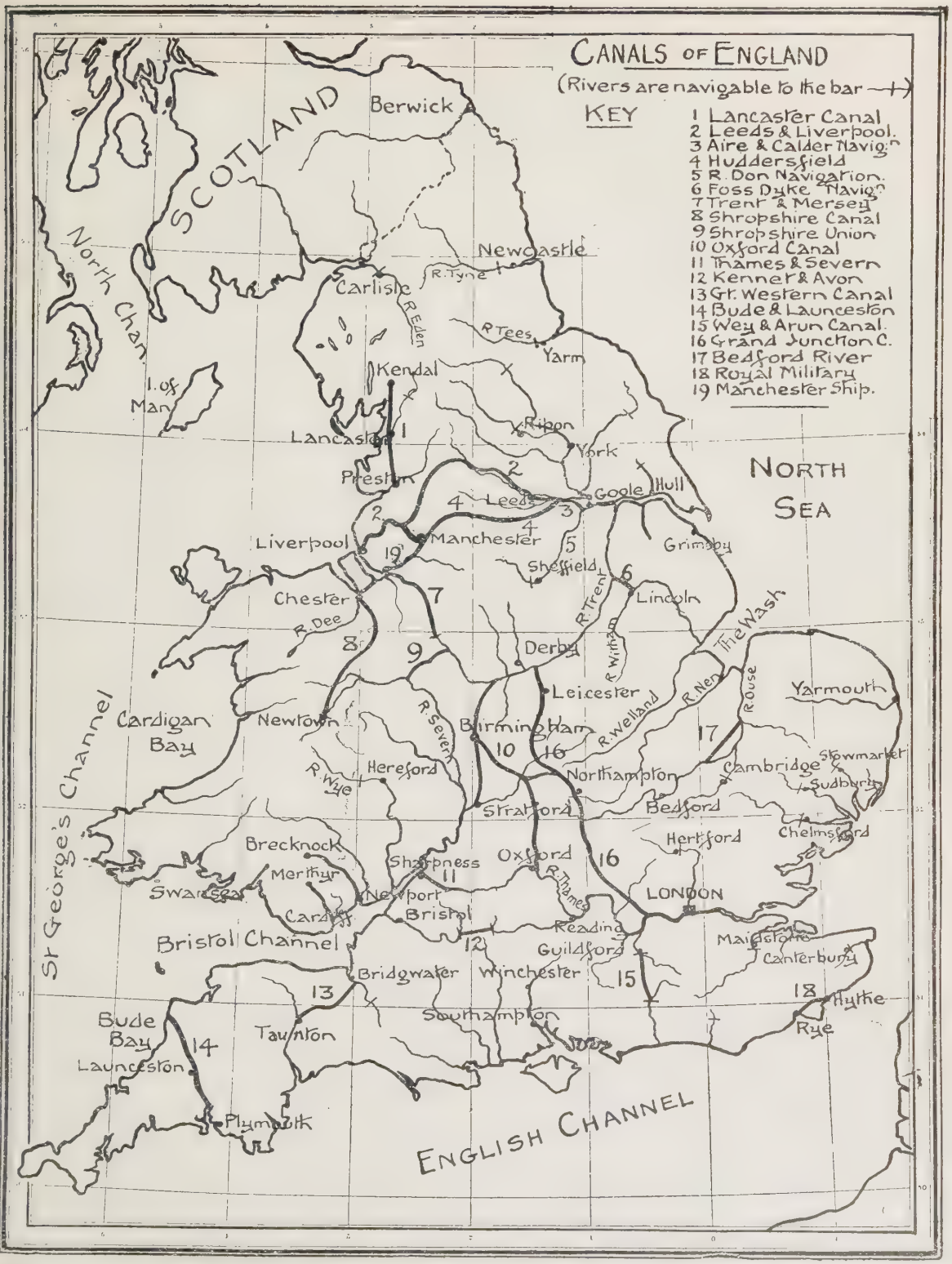
The facing bricks over shop to be best whites. The brickwork to back additions and front of workshop facing John Street to be picked stock. The external brickwork to workshop to be good hard stocks and Flettons for inside work. Tuck point brickwork over shop with black pointing. Other external walls to be finished with a neat weathered joint, and inside of workshop with flat joint for lime-washing.

(Incomplete)

SPECIFICATION of proposed business premises consisting of a Dwelling-house, Shop and Workshop for Mr. Robert Atkinson.

September, 19...

S. T Henderson,
Surveyor,
51 John Street,
Chelsea.


CANALS OF ENGLAND
(Rivers are navigable to the bar —|—)
KEY
1 Lancaster Canal
2 Leeds & Liverpool.
3 Aire & Calder Navig.n
4 Huddersfield
5 R. Don Navigation.
6 Foss Dyke Navig.n
7 Trent & Mersey
8 Shropshire Canal
9 Shropshire Union
10 Oxford Canal
11 Thames & Severn
12 Kennet & Avon
13 Gt. Western Canal
14 Bude & Launceston
15 Wey & Arun Canal.
16 Grand Junction C.
17 Bedford River
18 Royal Military
19 Manchester Ship.
SCOTLAND
Berwick
North Chan.
Newcastle
R. Tyne
Carlisle
R. Eden
R. Tees
Yarm
Kendal
I. of Man
Lancaster
Ripon
York
Preston
Leeds
Goole
Hull
NORTH SEA
Liverpool
Manchester
Sheffield
Grimsby
Chester
R. Dee
R. Trent
Lincoln
The Wash
Derby
R. Witham
R. Nen
R. Ouse
Yarmouth
Leicester
R. Welland
Cardigan Bay
Newtown
R. Severn
Birmingham
Cambridge
Stowmarket
Sudbury
R. Wye
Hereford
Northampton
Stratford
Bedford
Hertford
Chelmsford
St George's Channel
Brecknock
Merthyr
Oxford
Swansea
Newport
R. Thames
LONDON
Cardiff
Bristol
Reading
Bristol Channel
Guildford
Maidstone
Canterbury
Bridgwater
Winchester
Hythe
Rye
Bude Bay
Taunton
Southampton
Launceston
Plymouth
ENGLISH CHANNEL

COMMERCIAL LAW

Continued from page 509

LESSON XII.

SALE OF GOODS.—Definition. A contract of sale of goods, as defined by the Sale of Goods Act, 1893, is a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a money consideration called the price. By " property " is meant the complete ownership in the goods, and the word " goods " includes all chattels personal other than *choses in action* and money. "*Choses in action*" denotes such intangible things as debts, or as are represented by shares in companies, cheques, etc.

It is important to notice that the definition includes both actual sales and agreements for sale. When there is a sale, the property in the goods is immediately transferred, and the price is paid or becomes due at once. When it is a question of an agreement for sale, this does not operate to convey the property, but gives rise to certain rights at a future time on the happening of certain conditions.

Price. In order that there may be a sale, there must be a price fixed, and this must be estimated in money. Unless the price is fixed by the parties themselves, it must be a reasonable one. If the consideration for the transfer is other goods, the contract is not one of sale but of barter. If the goods are transferred without any price being paid, or expected, the case is one of gift. A gift is perfected by delivery, and is irrevocable. An agreement to give, as being made without consideration, is of no legal value. It cannot be enforced.

Formation of Contract. In the case of an actual sale, the property is handed over and the price is paid at once, or a debt is created upon which the seller can sue the buyer. But if there is an agreement for sale, the case is different. No difficulty arises if the value of the goods is under £10—the agreement can be sued upon even if it is made verbally. But if the value is £10 or upwards, there must be one of three things: (1) an acceptance or receipt of at least part of the goods; (2) something given in earnest to bind the bargain; or (3) a note or memorandum in writing. This is by reason of Section 4 of the Sale of Goods Act, 1893. Difficulties frequently arise as to the exact meaning of acceptance and receipt, and, therefore, the careful business man should never dispense with the note or memorandum. This note must contain sufficient particulars of the transaction, especially the names of the parties, the description of the goods to be sold, and the price. The omission of any of these may prove fatal. Unlike the majority of other agreements, no stamp is required.

The absence of writing does not make the contract invalid, but only unenforceable by action; and the £10 limit applies whether there is one article sold or a number of articles of this value.

Caveat Emptor. This is a legal maxim which is especially applicable in cases of sale. It means " Let the buyer beware," that is, the buyer must be on his guard. As will be seen directly, there are certain cases in which a sale can be rescinded on the ground that certain conditions have not been fulfilled, or damages can be claimed because certain warranties have not been complied with. But these exceptions will not altogether exclude the necessity for caution and care on the part of the buyer. His careless conduct may leave him without any redress if it turns out that he has made a bad bargain. It is particularly to be borne in mind, in spite of the exceptions referred to, that in the case of goods supplied under a contract of sale there is no implied condition or warranty as to the quality or fitness for any particular purpose.

Conditions and Warranties. By the Sale of Goods Act, a warranty is defined as an agreement with reference to goods which are the subject of a contract of sale, but collateral to the main purpose of the contract. A condition is not defined by the Act, but may be taken to mean either an uncertain event upon the happening of which the obligation of the contract is to depend, or a stipulation in the contract making its obligation dependent upon the happening of an event. It is important to observe the difference, because a breach of a condition enables the buyer to repudiate the contract, whereas a breach of warranty only gives rise to an action for damages. The parties may, of course, insert whatever conditions or warranties they choose; but, apart from any special stipulations, the Act imposes the following condition as to title, namely, that the seller has the right, or that he will have the right, to sell the goods; and as to sale by description, that the goods shall correspond with the description. Further, if the sale is by sample, there are the following conditions also imposed: (1) The bulk shall correspond with the sample in quality; (2) the buyer shall have a reasonable opportunity of comparing the bulk with the sample; and (3) the goods shall be free from any defect rendering them unmerchantable, which would not be apparent on a reasonable examination of the sample.

As to warranty implied by the Act, there is only space left to mention the one as to title, namely, that the buyer shall have and enjoy quiet possession of the goods.

COMPANY SECRETARIAL WORK

Continued from page 512

LESSON IV.

RECORDING APPLICATIONS FOR SHARES.—The directors will already have taken all necessary steps to see that the issue has been advertised in a manner proportionate to the results desired, for they must, of course, take care that the issue does not fail merely through lack of reasonable publicity. At the same time it must be remembered that an over-subscription, while doubtless very gratifying, often means that the company has incurred a waste of money by advertising the issue to a greater extent than was necessary to ensure its success; and it certainly involves the staff in additional, unnecessary, and unremunerative work at a time when every moment is of infinite value, and when every nerve is being strained to cope with the pressure.

It will be arranged that the applicants, instead of sending in the application forms to the company direct, will hand them in to the company's bankers, accompanied by a deposit covering the amount payable on application in respect of the number of shares applied for. It will be noticed that the standard form of application provides, at the foot, a form of receipt for the application money; and, when this has been signed by the cashier at the bank, it is returned to the applicant.

The application forms, duly completed, will come through to the company's office from the bank, and arrangements will have been made for them to be sent across in batches, at such intervals as may be considered necessary. In the case of a small allotment, once or twice a day will be sufficient; in larger issues they should be sent across from hour to hour, the object throughout being that the secretarial staff shall, if at all possible, be enabled to keep the recording of the applications absolutely up to date.

On receipt of the forms, one section of the staff will devote themselves to the scrutiny of the forms. All applications which have been made by letter, and all those application forms which have been made exceptional by the addition or deletion of material words, should be placed on one side to be dealt with separately; and it is usual, where the acceptance of such applications is not essential to the success of the issue, and in the absence of special reasons to the contrary, to decline them: though in the case of those applications to which the only objection is that they are not made on the official form, a more courteous method is to forward a form to the applicants, with a request for early completion and return. The unaltered forms will then be sorted out according to their respective classes, and each series numbered consecutively, a distinctive initial being used to identify each series. Thus, the numbers of the applications for preference shares might be preceded by the letter "P," and those for ordinary shares by the letter "O." The different classes of forms should be placed in charge of separate sections of the staff, and the forms then sorted again—this time in alphabetical order—according to the surname of the applicant, and each clerk in the respective sections will deal with one or more letters of the alphabet, as may be found advisable.

APPLICATION AND ALLOTMENT SHEETS.—The secretary should, a few days before the applications are due to be received, give orders to the printers for an adequate supply of Application and Allotment Sheets. A separate sheet or sheets will be devoted to each letter of the alphabet, the different classes of shares being kept entirely separate and distinct. At the head of the sheet should be stated the class of shares, the index letter, and the number of the sheet, as on the next page.

Each clerk should be impressed with the necessity for observing the utmost care in the preparation of the lists; and as each sheet is completed, the columns headed "number of shares applied for" should be totalled, and the addition checked and initialled by a fellow-clerk. A summary sheet for these totals should be kept by each clerk, so that, at any time, the secretary will be able to ascertain, at a few minutes' notice, the total "number applied for" in respect of each class of shares.

ALLOTMENT.—The work of scrutinising the lists of applicants with a view to deciding which applications shall be accepted, and to what extent, is usually delegated by the directors to a committee of the board, consisting probably of two or three of the directors. Arrangements will have been made for this committee to meet at the earliest time at which they can usefully proceed with their work, the extent and nature of which will, of course, depend upon the extent and number of the applications. If the number of shares applied for does not exceed the number offered for subscription, the work of the committee will be comparatively easy, for they will naturally be under the necessity of accepting every application received, unless, in any particular case, there are strong reasons for declining. If, however, the issue is an attractive one, it may be that the applications amount to two or three times the number of shares offered, and in such a case the work of elimination is often a difficult one. The method adopted in deciding which of the applications shall be accepted and which of them shall be declined will depend almost entirely upon the particular circumstances of the

THE COMMERCIAL ENGINEERING COMPANY, LIMITED

APPLICATIONS AND ALLOTMENTS SHEET

Ordinary Shares
Index Letter A
Sheet No. 1

Issue at par [or *at.....per share Premium*, as the case may be] *of* 10,000 *Ordinary Shares of £1 each in the capital of The Commercial Engineering Company, Limited.*

APPLICATIONS FOR AND ALLOTMENT OF SHARES.

Date of Application.	No. of Application and Allotment Letter.	Name.	Address.	Description.	No. of Shares Applied for.	Amount of Deposit.	Date of Allotment.	No. of Shares Allotted.	Distinctive Numbers of Shares Allotted.		Further amount payable on Allotment.	When paid.	Total amount payable on Shares Allotted.	Amount Returnable.	Folio.	No. of Certificate.	Remarks.
									From.	To.							

case. The first applications which are eliminated as being undesirable will probably be those coming from notorious speculators. The second class will, no doubt, comprise those who have sent in conditional applications, such as those to which we have previously referred; and when these individual and exceptional cases have been dealt with, leaving only the generality of applications possessing an equal claim, an arbitrary mode of elimination may be adopted. Probably the first step in this direction will be to accept in full all applications from persons whose occupation is such as to be of assistance in promoting the interests of the company. A newspaper company might accept all applications, large or small, coming from news-agents; and so on. When this has been done, the only remaining determining factor is usually the amount of each application. If it is desired to have the shares in the hands of comparatively few persons (and this, incidentally, will enable the secretary's department to be administered at a minimum of expense), the larger applications will be accepted in full, and the smaller declined altogether. On the other hand, if it is thought that the interests of the company will be better served by the co-operation of a large number of small shareholders, the process may be inverted, the small applications being accepted and the large ones declined. Still another method would be to eliminate all applications for less than, say, ten shares, and then, in respect of the remainder, to allot, say, four shares for every five applied for.

As the Application and Allotment Lists are being scrutinised, the secretary, or a member of the committee will mark in pencil opposite the name of each applicant, the number of shares proposed to be allotted to him; and, when the whole list has been dealt with in this manner, the total of these suggested allotments should be carefully ascertained, for it is exceedingly important that the shares allotted should not exceed the authorised share issue. When the figures have been finally agreed, they will be completed in ink, the totals balanced, and the committee's decision embodied in the form of a recommendation to the board. A meeting of the board will already have been convened for an appropriate time, which should be as early as possible; and on receipt of the report and recommendations of the committee appointed to scrutinise the applications, the board will pass a resolution in terms somewhat as follows—

Resolved—

"That the number of Shares entered upon the Application and Allotment Lists, and in the column headed 'No. of Shares Allotted' opposite the name of each applicant, be and the same are hereby allotted to each of the said applicants in pursuance of his application; and that where no number of shares is stated in such column no allotment be made, and that the amounts paid on application be returned to the applicants."

THE STOCK EXCHANGE

Continued from page 534

LESSON II.

DEALERS.—The dealer, or jobber, is the man who fixes prices. He does not do this arbitrarily, but in recognition of the laws of supply and demand.

He is the man who buys shares from the general public through a broker, and who sells them to the public by the same method. He also buys from and sells to his fellow jobbers.

He may be an enormously rich man, holding at times large quantities of stocks and shares, or he may be a capable and shrewd trader relying on turning over a comparatively small sum of money quickly and making a profit out of the differences between buying and selling prices: this difference is usually called the "jobber's turn."

When brokers keep selling the same stock to a dealer, and very few come to him to buy it, the natural tendency is for the dealer to keep quoting lower prices. In consequence, prices fall when there are many sellers and few buyers, and rise when there is an active demand and few people are selling. Natural laws work out on the Stock Exchange in much the same way as they do elsewhere. A man will not bid high when he has sufficient stock in hand, and he will quote as low as he can for a sale when he has more stock than he wishes to hold.

PRICES OF STOCK.—A glance at many newspaper columns which quote Stock Exchange prices will reveal the fact that there are two prices given. One of these is the price at which the broker is prepared to buy, and the other the price at which he will sell. But it must always be remembered that these prices, though a valuable guide to the public, vary hour by hour, and it is not by any means certain that business will be done at the rates quoted.

(Where only one price is given in the market reports of a newspaper, it is the middle price: half-way between the two.)

The stockbroker who is instructed by his client to sell a parcel of stock, goes to the market in which that class of goods is dealt in. It is probable that he is a dealer in that market in whom he has confidence and with whom he largely transacts his business.

In asking for a quotation of prices, he does not disclose whether he is a buyer or a seller. He secures a double quotation, and the dealer, having quoted, is expected to purchase the stock he has to sell or to supply the stock he requires on the quotation given.

This, however, only refers to a reasonable quantity of stock, and it is not considered a fair act for a broker who has a very big piece of business to transact to spring it upon the dealer. He is expected to give some intimation that the transaction will be heavy when he invites the dealer to quote.

It will be seen that in quoting both buying and selling prices for the same security, without knowing whether he will be asked to receive or to supply the stocks, the dealer is torn between two conflicting influences. His desire to make a good profit either way, whatever he should be called upon to do prompts him to put one quotation high and the other low, and the margin between the two as wide as possible. But, on the other hand, he knows he is competing with other dealers, and his fear of what they will do prompts him to make the margin narrow.

A glance at the quotation of stocks and shares where two prices are quoted, will bring a very interesting fact to light: that the more popular and more substantial the shares, the less the difference between buying and selling prices. Thus, the quotation for a Government stock such as the War Loan, 5 per cent, may be $87\frac{1}{16}$-$87\frac{3}{16}$, while Dringham and Dutton's Brewery shares may be 1s., 3s.

This means that the dealer in War Loan is prepared to take all risks of rises or falls, as well as his profit out of 2s. 10½d. in the £100. But the dealer in the lesser known or, it may be, the unfortunate brewery, expects a margin of £66 13s. 4d. between the buying price of £33 6s. 8d. and the selling price of £100.

There are several reasons for this great difference. There is a constant demand for the War Loan and only a very uncertain demand for shares in the brewery. The dealer in the Government securities market knows that he can dispose of unlimited quantities of stock at almost any moment by a slight reduction of his price.

The great quantity of the stock held by the general public steadies the price, so that he is not likely to bring prices down with a run by selling his holding. Supposing he wishes to realize £10,000 worth of this stock, the daily transactions are so enormous that the amount would pass unnoticed, or at the worst affect prices a fraction of a pound for an hour.

Now, the dealer in the special brewery shares (with a fictitious name) is a kind of specialist in a few fancy lines which he particularly studies. He may be the only man in the Exchange who makes a market in the shares of that brewery. It may be that he holds a good number, has faith in their value, and does not wish to sell them too cheaply.

At the same time he is not particularly anxious to increase his holding. So his buying price is 1s. a share, and if you want him to sell you must pay him 3s. Stated in shillings the difference seems reasonable, but worked out as a percentage and in larger figures, it really is £33 against £100.

SETTLEMENT DAYS.—Transactions on the Exchange take much account of settlement days, and great numbers of transactions take place in which dealers sell shares which they do not possess and buy shares which they never expect to take up.

These settlement days, one near the end of the month and the other in the middle, are the days on which transactions have to be completed, or when arrangements have to be made for carrying them over to a later settlement day.

The settlement itself occupies four days, viz. : (1) The mining contango day ; (2) the general contango day (also known as carry-over day) ; (3) ticket day (also known as name day) ; (4) the settlement or pay day.

This arrangement for settlement days makes it easy for the normal business of the Exchange to be worked on very speculative lines. Thus, a man would reason : " I believe Deep Royals will fall heavily during the next week, so I will sell as many shares as I can, though I do not possess a single share. Before settlement day comes I shall be able to buy as many shares as I need at a much lower price, and thus make a profit out of my inside knowledge and intuition."

BEAR.—In the slang of the Exchange this man is called a " Bear," and his action is defined as " Bearing the stock."

BULL.—A " Bull," on the other hand, is the man who buys securities which he never intends to take up, anticipating that he will be able to sell them at a higher price before there is any need for them to be paid for.

SPECULATION.—When an organization like the Stock Exchange includes a good proportion of men who are speculative and who love the excitement of watching rises and falls in value, it frequently happens that some very severe fights take place between the " Bulls " and the " Bears," and where fluctuations are violent that losses and gains are heavy.

This kind of business, however, chiefly depends upon the condition that settlements shall be in the future, so that the speculator shall have some days or weeks for his plans to mature before he need complete his bargain. The war-time regulation that all transactions shall be for cash, was an obvious difficulty in the way of this kind of speculation.

In passing, it may be well to call attention to the grave disadvantage at which a member of the public enters such a contest. Dealers can deal with each other to their hearts content, and the loss of one precisely balance the gains of another. But the member of the general public who starts " bulling " and " bearing " stocks is subject to three heavy charges which, in the course of many transactions, may wipe out all the profits of a successful campaign, but which added to the losses of an unsuccessful raid make the total loss very heavy.

These charges are the broker's two commissions (one for buying and the other for selling), and the jobber's turn : that is, when the outsider sells into the Exchange he does so at the lower of two quotations, and when he buys he buys at the higher.

The system of the Stock Exchange which does not permit a member of the public to come into actual contact with the dealer in stocks and shares, is probably the soundest system that can be devised in the interest of the *bona fide* investor. The double profit made out of each transaction is ultimately cheaper to him than would be any method by which he had to match his skill in a bargain against the specialised skill of a member of the Exchange.

He is enabled to use and rely upon the skill of the broker without fear that the broker has his own axe to grind ; and his broker, selling or buying, will do his best for him.

But the system of the Stock Exchange is the worst possible system to suit the purposes of the constant outside gambler in stocks and shares. In the course of many transactions it is fairly obvious that the commission and profits made by members must make a very big hole in the profit of any series of adventures, however fortunate.

To all intents and purposes the dice of the Exchange is loaded against the outside gambler. " Buy from us or sell to us," it seems to say. And we gain on the swings and we gain on the roundabouts. When you gain we gain, and when you lose we gain—for in our transactions with the outside public we make our profit on the turnover as well as upon differences in buying and selling prices.

In the same way it should be advised that once an investor has invested his money through a broker, the fewer changes made the better. One stock may seem to look more profitable than another, but he may depend upon it that this is only in appearance, and that the value at which it stands in the daily quotations is about its real worth.

To sell out one stock only to buy another really means sacrificing a substantial part of the half-year's dividend. He has but to do this a few times in the year, and he has made a present of his profits to industrious and doubtless deserving members of the Stock Exchange.

THE MONEY MARKET

LESSON I.

BUYING AND SELLING MONEY.—The money market is not the name given to a particular place or building. If you wish to deal in stocks you must go to the stock market, and for a particular stock you must go to a definite spot in that market. In the money market you buy and sell money just as in the stock market you buy and sell stocks, or just as in Covent Garden market you buy and sell fruit; but, unlike these latter markets, it is not a particular building or place, but is merely the name given to the banking centre of London, where the great banks and discount-houses cluster round their parent, the Bank of England, and where alone can be reached the great floating loan-fund of the country. Here, money (or, more strictly, loans) can always be obtained at a price, sometimes higher, sometimes lower. Here all the loanable capital of the country gravitates, collected together through the agency of the joint stock banking system, the ramifications of which extend throughout the country.

The study of the money market is the study of the manner in which this huge accumulation of loanable capital is dealt with, and the forces which influence the price of money, that is, the rate at which money is borrowed and lent.

THE JOINT STOCK BANKS.—Banking has been carried to a higher pitch of perfection in this country than in any other. Credit generally is sound—a fact that is illustrated by the extremely small percentage of dishonoured cheques—and confidence in the banking system is so well established, that the hoarding of money in hidden receptacles up the chimney or under the floor is practically unknown. Anyone who possesses any spare cash places it in the hands of his banker.

The branch offices of banks retain in their tills only sufficient cash to supply the needs of their daily business, with a small reserve for emergencies. The rest of their resources, apart from that portion which they invest locally in loans to their customers, is placed to the credit of their head office in London. In this way all the available loanable money in the country is concentrated in London. Distributed all over the country it would be inaccessible and unproductive; concentrated in one vast fund in London it becomes a tremendous power, and, as we shall see later, makes London the centre of the world's money market.

The function of the banker, then, is to act as intermediary between lender and borrower; and as he is liable at any time to repay the moneys which his clients have left with him, it is his first care to see that his assets are held in a convertible form, that is to say, if not actually in gold and notes, they shall be readily convertible into gold and notes.

His "first line of defence" is, of course, the cash which he has "on hand" and deposited at the Bank of England; and here it may be remarked that it would be difficult to discover a greater anomaly than the habit of the great joint stock banks of depositing their reserve of cash, free of interest, with the Bank of England—to all intents and purposes an opposition concern—which is under no obligation to take any steps, other than those it itself considers proper, to ensure its being in a position to pay these deposits on demand. Such, however, is the practice, and it is a remarkable example of the implicit confidence reposed in the "Old Lady of Threadneedle Street."

The banker's "second line of defence" consists of his portfolio of well-assorted bills which he has discounted for his customers, and his "short loans" to bill-brokers.

THE BILL-BROKER.—The bill-broker is a product of the specialisation of industry. It is part of the business of joint stock banks to discount bills; and to the superficial observer it appears highly anomalous that these banks should actually lend money—without which he cannot carry on his business—to the bill-broker, their rival in this particular department. In foreign centres, bill-discounting is entirely in the hands of the bankers, no intermediaries being employed. The justification for the bill-broker's existence is to be found in the fact that the business of bill-discounting requires a highly specialised knowledge, which the banker, having many more irons in the fire, cannot possibly acquire. The bill-broker makes daily calls on the dealers in bills such as the London branches or agencies of foreign banks. He makes it his business to have an intimate knowledge of the commercial standing of the parties to the bills he purchases, and these bills he re-discounts with the joint stock banks, who are thus saved much trouble and risk by re-discounting under the guarantee of the broker. To provide the capital necessary for carrying on his business, the bill-broker borrows from the joint stock banks at very low rates, the money being lent for very short periods—sometimes merely over-night. He depends upon his credit with the banks; and in times of financial stringency, when the joint stock banks refuse to lend, he has no course but to go to the Bank of England. We shall see later how the rate at which bills are discounted is affected by the operations of the banks and the bill-brokers.

OFFICE ORGANISATION AND COUNTING-HOUSE ROUTINE

Continued from page 504

LESSON X.

THE ORGANISATION OF DEPARTMENTS AND BRANCHES.—In an earlier lesson the various departments or sections of an *office* were treated, but the word "departments" may, of course, also refer to sections of the business itself. Let the reader imagine a huge retail establishment of the "universal provider" type, or the central premises of a large co-operative society, and it will at once be clear that there are numerous rooms and different counters each dealing with separate classes of goods. There will be purchases and expenses incurred on behalf of each department, and suitable systems of book-keeping must be devised in order to record these, as well as the separate turnovers, so that the profit or loss of each department may be determined. The summary of sales will indicate the progress or decline of each particular department, and, in the latter event, the necessary steps may be taken to improve matters and institute a careful investigation into the causes of the backward movement.

Departmental Accounts. Book-keeping text-books now make a special feature of Departmental Accounts; and it will be seen that the desired information is obtained by having analysis columns added to the Purchases Books and Sales Journals, and by keeping records of the wages and direct expenses. Transfers from department to department must be carefully recorded; and where raw materials of the same kind are used in more than one section of the business, they are kept in a kind of General Store Account and the exact amount used by each is shown by the Stores Issued Book. Seeing that we have full particulars of purchases of materials, cost of carriage, wages paid, and direct expenses in analysed form, with particulars of separate sales, it is easy to ascertain the gross profit of *each* department. Some business men do not, however, remain content with this knowledge, but carry the analysis as far as possible to the indirect expenses and divide the latter according to agreed ratios. Discounts will be analysed, and management expenses may be apportioned according to turnover or any peculiar circumstances of the business. Hard-and-fast rules cannot be laid down, but the following customs may be a guide to the student.

RENT, RATES, AND TAXES may be charged over the various departments according to the area occupied, but relative positions should be taken into account;

SALARIES may be apportioned according to turnover;

INTEREST may be reckoned upon the capital invested in each;

ADVERTISING may be charged according to the relative portions of space occupied by "copy" for each section of the business, and the number of pages devoted to each in catalogues, etc.;

DEPRECIATION OF MACHINERY may be calculated separately, according to the varying values and amount of wear and tear.

The *capital employed in each department* may be arrived at by the following method—

Average stock held, plus average amount of book debts outstanding, plus plant and machinery required, minus the amount of liabilities.

It will be interesting and instructive to instance the departments to be found in a large motor works. They include the following: Pattern-making, iron foundry, aluminium foundry, machine department, gear department, assembling shops, inspection department, engine testing, chassis-erecting department, road test department, chassis painting, body construction, carriage trimming, carriage mounting and finishing, dispatch department, showrooms, garages, exhibition exhibits, and repair works. A careful consideration of these numerous departments and of the chart which is inset will give some idea of the organisation necessary for such large enterprises.

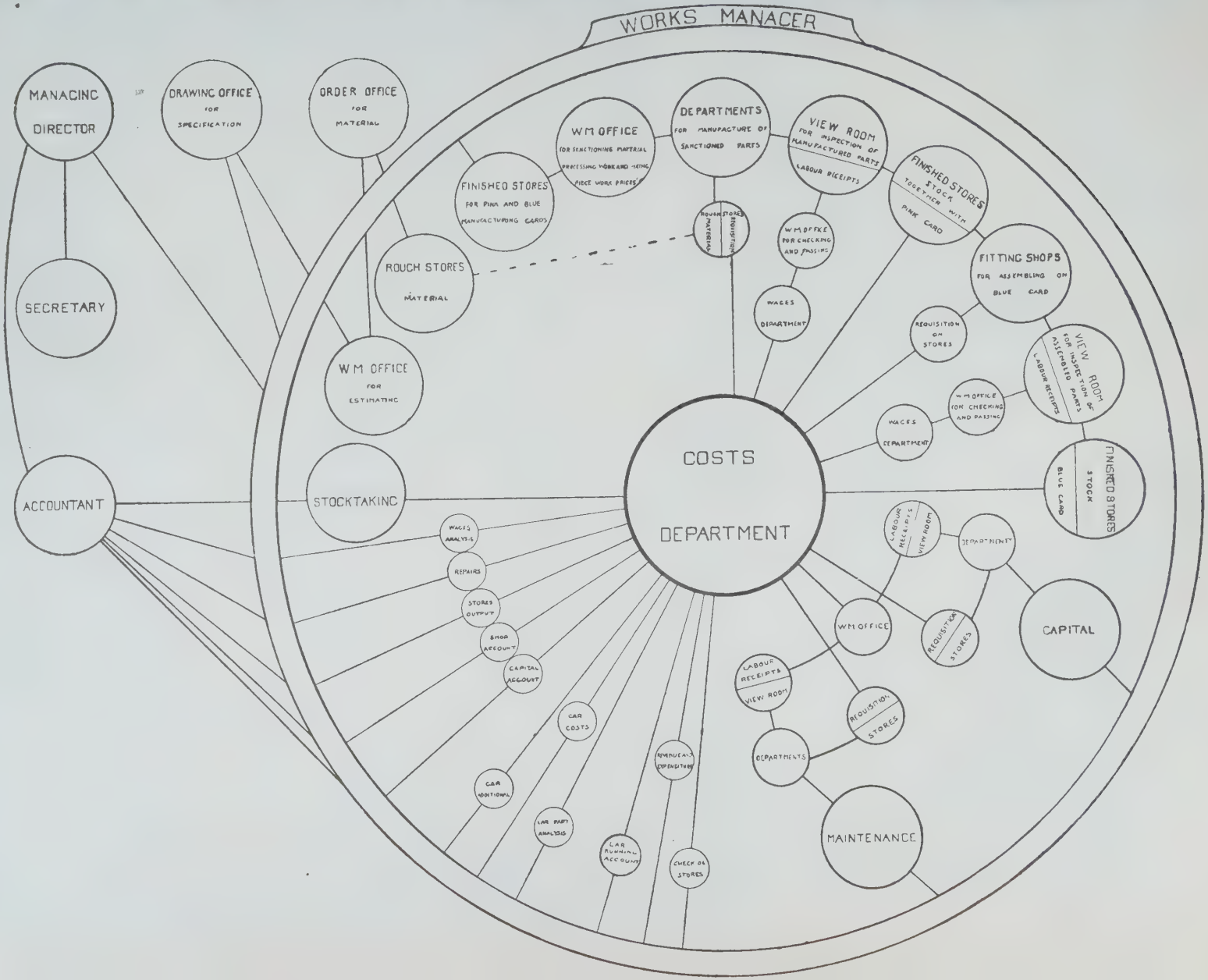
Branch Accounts. The progress of the multiple shop system brings the subject of branches to the front, and a study of the administration of branches and account-keeping for them is becoming yearly of greater importance. The nature of each individual business plays a conspicuous part in the organisation, and especially in the matter of the charging of the stock to each branch. In devising a system, the principal points to be borne in mind will be the obtaining of the greatest results with the least possible labour, in conjunction with an adequate check upon the branch manager.

Branches are of various kinds: (*a*) Wholesale; (*b*) retail; (*c*) home; (*d*) Colonial; (*e*) foreign.

Where the selling price of goods is a fixed one and the number and variety not too great, it is advantageous to charge the articles to the branches at selling price, and in this case an exact check is available. Any allowances off selling price, when special circumstances arise, would have to be carefully recorded.

In many businesses the goods are sold at varying prices, according to the quantity taken by a customer, or they may be of a perishable nature; and as it is obviously impracticable to charge stock out at selling price, cost price is often adopted; and to furnish a fairly satisfactory check upon the

CHART SHOWING ORGANISATION OF WORKS AND RESPONSIBILITIES OF THE VARIOUS DEPARTMENTS.



(1437)—Wt. 1pp. 500 & 501

branch manager, a monthly record is compiled after the following fashion—

HIGHTOWN BRANCH, MONTHLY STOCK ACCOUNTS, 19..

	Jan.	Feb.	Mar.	etc.
Opening Stock				
Add Purchases ..				
Less Sales				
[1] Add Gross Profit, say 25% on Sales ..				
Estimated Closing Stock, agreeing approximately with a Stocktaking list at cost prices if taken.				

In business, percentages are usually based upon *turnover* and not upon cost price.

Fluctuations in the stock will be clearly shown by the statement; and, if there is any cause for suspicion, the headquarters of the firm will send representatives to take stock without notice to the manager of the branch. These statements are purely statistical, and fall into the category of "Memorandum or Statistical Books."

Sometimes, as an alternative, goods are charged to branches at cost price, plus a percentage representing the estimated gross profit on the cost. Headquarters must take into account the opening and closing stocks plus the same percentage, and consequently the Trading Account of the branch will show little or no balance one way or the other. A large balance would indicate some error, perhaps in the estimating of the gross profit; or if a considerable "loss" is shown, there is the possibility of fraud in connection with cash or goods, or both, requiring investigation. Sometimes it is very desirable that cost prices should not be known to managers and assistants, hence the adding of percentages to cost. The head office has to adjust the stocks to cost in treating the financial accounts of the whole concern.

Some branches have complete sets of books, and current accounts exist in the Ledgers, the one at the branch being the counterpart of that at headquarters. All remittances of cash and transfers of goods are recorded in these current accounts. In the head office books the current account for the branch will show as a debit balance, representing the excess of assets over liabilities there; and in the branch books the head office account represents the capital invested there by headquarters, and gives credit to the proprietors for the cash and goods received from them, and debits remittances sent to the bank on account of head office and goods returned to the latter. At balancing times "Goods in transit" and "Cash in transit" have to be carefully adjusted. In amalgamating the figures for the financial accounts of the concern as a whole, the current accounts equalise each other and automatically become eliminated; if cash or goods are in transit at the balancing time, the one current account is greater than its counterpart, and the balance of the greater is transferred to a "Cash in Transit Account" or "Goods in Transit Account," as the case may be, and is scheduled amongst the assets separately in its proper section of the Balance Sheet, being an open balance in the books.

Colonial and Foreign Branches. With regard to Colonial and foreign branches, the coinage (currency) has to be taken into account and also the general rates of exchange, which are constantly varying. Some currencies only fluctuate slightly and between comparatively fixed points, whereas others are very unstable. With the returns of branches in countries like France and the United States of America, it is usual to work on a fixed rate, the differences in the rates of exchange during the year being comparatively small, and an average can easily be calculated. In this statement, reference is, of course, to normal times.

Conversion into Sterling. To convert the currency into sterling, the method is to divide the currency figure by the rate of exchange fixed upon, and the quotient will be £ sterling expressed in decimal form; then convert the decimal remainder into shillings and pence.

In the books at the head office will be found the branch current accounts, and these are ruled with double columns: one for the foreign currency and the other for the English equivalent. Differences in the actual remittances are worked out and passed through a "Difference in Exchange Account." This method of working with stable rates of exchange applies to many European countries, the United States of America, and the majority of the British Possessions, where a gold standard is employed for the currency.

In countries where the value of the local money expressed in £ s. d. is subject to constant and considerable fluctuations, the book-keeping is not so simple a matter, and the conversion of Trial Balances becomes more intricate. The following are the lines generally adopted—

Fixed assets of branch are converted at the rate of exchange ruling at date of purchase;

Cash, book debts, and stock converted at rate of exchange ruling at date of stocktaking;

Amounts owing to local creditors, ditto, ditto;

Balances of nominal accounts (to be transferred to profit and loss) at average rate throughout the period;

Remittances at actual rates.

Countries with a silver standard like China, Brazil, etc., necessitate this kind of treatment.

[1] 25 % on Sales (Turnover) is produced when 33⅓% is added to Cost Price of Goods.

INSURANCE

Continued from page 518

LIFE ASSURANCE.

LESSON II.

CALCULATION OF PREMIUMS (*contd.*).—Generally, life assurances are paid for, not by a single premium, but by yearly premiums payable until the contract determines. In this case, the problem is to equate the present value of the premiums receivable by the office to the present value of the sum assured payable by it (i.e. to the single premium), the standpoint being at the making of the assurance. It is convenient, as a preliminary, to discover what a premium of £1 per annum is worth in present value; and, again, taking 469 assurances on as many lives aged 93, the mortality table shows that 469 premiums will be paid at the beginning of the first year (one for each life assured), 274 at the beginning of the second year (one for each survivor), 135 at the beginning of the third year, 49 at the beginning of the fourth year, 9 at the beginning of the fifth year, and no more—no life surviving to the beginning of the sixth year. The present value of all these payments of £1 each is £469 + £266 + £127 + £45 + £8, or £915. The present value of the premiums of £1 annually under one policy is, therefore, $£\frac{915}{469}$ or £1·951.

The present value of a life assurance of £1 on a life aged 93 has already been found to be £·945, so, obviously, the equivalent yearly premium is much less than £1. We have—

Present value of a premium of £1 per annum is £1·951, therefore by proportion the present value of a premium of $£\frac{1}{1\cdot951}$ per annum is £1, but the annual premium, whose present value is £·945, is required; and this is seen to be $£\frac{945}{1\cdot951}$ or £·484, which is 9s. 8d.

The premiums for other forms of policy, such as the endowment assurance, the joint life assurance, the temporary assurance, etc., are found by similar methods—prepared tables, however, considerably simplify the work in the case of the better known tables of mortality.

LOADINGS.—The premiums calculated, as described, are known as "net" premiums, and are just sufficient to defray the cost of assurance, provided the lives assured die exactly according to the mortality table, and provided the office realises on its investments exactly the rate of interest assumed and also incurs no expenses chargeable to the premiums received. But, in practice, mortality rates do fluctuate, and no office is able to manage its business free of cost to its policy-holders; and, therefore, the net premiums evolved from the mortality table, in conjunction with compound interest, always receive an addition, usually termed "loading."

The net premiums, combined with their appropriate loadings, produce the "office" premiums, which are given in the "prospectus" of the office.

The loading is usually in two parts: the first being identical in amount for all ages at entry under the particular scheme; and the second taking the form of a fixed percentage addition to the net premium, and so naturally increasing in amount as the net premium increases. Thus, for a whole life non-profit assurance the net premium may receive an addition of 2s. 6d. for every £10 it assured, and a further addition of 8 or 9 per cent. of itself.

VALUATIONS.—All prudently conducted business enterprises make a periodical investigation into their affairs, with the object of discovering what profit or loss has been realised in the period under review; and life assurance offices are no exception to this rule.

The ordinary commercial firm calculates what is owing to it and by it; and adding to the former item the value of the cash, securities, and stock in hand, and deducting the latter item, the amount of the surplus of assets over liabilities is obtained. Deducting any undivided profit brought forward from the previous investigation, the profit for the period under review is finally arrived at. A similar process, called a "valuation," is applied to a life assurance office, the cash, etc., in hand in the case of the commercial firm now being represented by the accumulated funds; the debts due to the firm, by the future premiums payable to the office under the existing policies; and the debts due by the firm, by the sums the office is liable for under the same policies.

It is obvious that neither the "assets" in the shape of future premiums, nor the "debts" represented by the liability to pay the sums assured, should be taken at their face value, as is the practice with the corresponding items in an ordinary trading firm (with unimportant exceptions). In the latter case, these assets and debts are due to be received and paid within a comparatively short period (certainly less than a year), and interest has little time to operate. The contrary holds with assurance offices, where the analogous items of "assets" and "debts" are, as regards date of falling due, spread over the next fifty or more years; and, accordingly, these have to be considered in connection with the period of time to elapse before they are receivable or payable. Put briefly, the present value, according to a selected rate of interest and table of mortality,

is calculated, of both the premiums receivable and the sums assured payable, under the assurances existing at the date of valuation. The former item always comes out smaller than the latter in an established office. The difference, or "liability," as it is termed, is set off against the accumulated funds of the office; and any excess of fund over liability is called "surplus," and is analogous to the credit balance shown by a trading firm's Balance Sheet, and denoted therein by the words "Balance of Profit and Loss Account."

A life office is obliged, by statute, to make a valuation at least once every five years; and a considerable and increasing number adopt one year as the interval between successive investigations.

The primary object of a life office valuation is, as already indicated, to discover whether or not the total assets in the shape of the funds and present value of the future premiums, exceed the present value of the sums assured for which the office is liable. A balance on the wrong side calls for immediate treatment by the management, as, for example, by a reduction in expenses, or investment of the funds to yield a higher rate of interest. The need for more care in the acceptance of lives proposed for assurance may also be indicated. Happily, however, such a valuation result is extremely rare with British life offices; and their periodical valuations are now regarded, not so much as a test for solvency, but rather as a means for ascertaining the surplus, with a view to a distribution of a proportion of it among certain of the policy-holders. This view has come to the fore by reason of the existence of "with-profit" policy-holders—the preponderating class with most offices, and the only class in some of them.

As already explained, this class participates in the profits made to the extent of from 80 to 100 per cent.; and the basis of the valuation has to be carefully selected, so that only actually realised profits will be disclosed, future sources of bonus not being tapped, but reserved to provide future bonuses.

The sources of surplus, and their recognition when framing the basis of valuation, will now be considered. If an office experiences exactly the rates of mortality and interest on which the premiums it charges are based, spends exactly all the "loadings" (i.e. the additions made to the mathematical or "net" premiums to produce the premiums actually charged the public), and has no other income or outgo, it is clear that no surplus can arise. The accumulated funds will exactly equal the liabilities disclosed at each valuation. If, however, the lives assured by the office become of better quality, and so live longer on the average, or the accumulated fund becomes invested to yield a higher rate of interest, or the rate of expense falls so that the full loadings are not spent, surplus will commence to appear at the valuations, it being, of course, possible for any one or more of these three causes to operate at a given time.

The main contributions to surplus, as a matter of fact, are those from excess interest earned and loadings unspent, and it is accordingly very needful to recognise the importance of these factors in the valuations of a life office. This is achieved by assuming the rate of interest which will be earned in the future to be ½ or 1 per cent. lower than the rate which it is reasonably anticipated will rule; and only the future net premiums payable are discounted as an asset, the future loadings receivable not being taken credit for, but left to pay expenses and to contribute to the surplus for the years to which they refer. The mortality table employed is almost invariably either the Hm. (Healthy males) or the Om. (Ordinary males) table, both of which are based on investigations of the mortality experienced by assured lives and, therefore, likely to agree with the mortality rates of the office using the table. A lighter mortality experience than that indicated by the table used provides a third source of profit.

The basis of valuation adopted by a majority of the British offices at the present time is shortly described as an "Hm. (or Om.) 3 per cent. net premium valuation"—the table of mortality, future rate of interest assumed, and proportion of future premiums taken credit for being all indicated in the phrase. A few offices even go so far as to assume that their investments will only earn interest at the rate of 2½ per cent.

Other things being equal, the liability of an office under its policies increases as the valuation rate of interest decreases; but, although at first the effect of reducing the valuation rate of interest is to reduce the surplus revealed, the ultimate result is the reverse, on account of the increased margin of surplus interest earned on the increased fund held under the altered interest basis of valuation.

The valuations of life offices operating in the United Kingdom are regulated by the Assurance Companies Act, 1909, which prescribes certain forms in which the results have to be returned to the Board of Trade, together with such information regarding the policies valued as will enable an outside expert approximately to check the accuracy of the valuation. The Act does not prescribe any fixed rate of interest or mortality table as a valuation basis, the policy in this country being to leave the offices quite free in these respects. It merely stipulates that the plan of valuation adopted shall be detailed in the return, the adequacy or otherwise of the basis being left to the opinion of the public. In the next lesson we will explain how the surplus is distributed.

LEADING INDUSTRIES

Continued from page 519

SUGAR

SOURCES OF SUGAR.—Sugar is a generic name given to a class of carbohydrates occurring in the juices of many plants; but the well-known domestic food-stuff to which the term is popularly ascribed and which is the common article of commerce is the substance obtained almost exclusively from two sources, namely, the sugar-cane and the beetroot. The former is a gigantic grass, the *Saccharum officinarum*, found in the tropical regions of both hemispheres, whilst the latter is a plant which is grown extensively in the temperate zones of Europe. Consequently the sources of supply of sugar, either raw or refined, are world-wide, and the imports into Great Britain are drawn from many countries.

CANE SUGAR.—The sugar-cane is supposed to be a native of the East, but it was widespread at an early date, and was introduced into the New World soon after the discovery of America. As already stated, it is essentially a tropical plant, and it cannot flourish without an adequate supply of water. Java and Cuba are the two greatest centres of its planting, and they together supply more than one-half of the total cane sugar of the world. Other countries in which the sugar-cane is cultivated are India, China, East and West Indies, Mauritius, Natal, and Queensland. The canes attain their full height about eight months after planting, and it is then that the sap or juice contained in them is purest and most plentiful. This is the time for reaping, and the canes having been cut, in almost every case by hand labour, are tied up in bundles and conveyed to the sugar factories. The juice is extracted by crushing the stems between heavy rollers. The resultant substance is then treated with lime, heated, and skimmed, the two last-named processes being repeated until the mixture is free from scum. A thick syrup remains, and this is passed into shallow pans, in which, as it cools, sugar crystals are formed. The crystalline mass is the raw sugar, and the dark substance which drains off is molasses. The above is a very rough statement of the general nature of the process adopted, and various modified mechanical contrivances are in use in different sugar-producing countries.

BEET SUGAR.—This sugar is practically identical with cane sugar. It was first manufactured in the eighteenth century, but it is only during recent years that the trade in it has become of first-class importance, owing largely to the fostering care of Germany. In normal times the supply of beet sugar exceeds that of cane sugar. What will happen in the future it is impossible to foretell; but it is exceedingly probable that Great Britain will enter into competition, and rely less upon other European countries for this essential food-stuff than she has done in the past. Among the countries which cultivate beet sugar are Holland, Belgium, North France, North Germany, and U.S.A. In the process of obtaining the sugar from the beet, the roots are first steeped in water and reduced to a pulp. This pulp is then subjected to great hydraulic pressure, and the juice obtained is afterwards heated up to 85° C., and milk of lime added to it. The mixture is raised to near boiling point, and all albuminous constituents are thus removed by the presence of the lime.

SUGAR-REFINING.—The above processes give sugar in its raw state, but in order to prepare it for use and for commerce it is necessary to refine it. The refining process is practically the same for both cane and beet sugar. The raw article is dissolved and filtered to remove impurities. It is then decolourised by means of animal charcoal, and the purified syrup is run into vacuum pans, where it is evaporated until crystals are formed. These crystals are the sugar of commerce, though further treatment is necessary to produce the various grades, into which it is impossible in the space at disposal to enter. The uncrystallisable syrup left in refining cane sugar is converted into the well-known "golden syrup," while that which forms the residue of the beet product is worked up for the salts it contains, or used as a source of alcohol. The principal refineries in Great Britain are situated at London, Liverpool, and Greenock, and these produce in ordinary times about 700,000 tons of refined sugar per annum. Owing, however, to the large imports of foreign refined beet-root sugar, amounting to over 1,000,000 tons per annum, the British refining business was severely affected, and it remains to be seen whether this industry will recover its former position.

SUGAR SALES.—British refined sugar is sold direct to the wholesale dealers, who visit the show-rooms of the refiners every day. In Greenock there is a Sugar Exchange where each refiner has a counter and where sellers and buyers meet every morning. At a fixed hour the sales are closed for the day. Some large refiners have depots in various parts of the country, from which they distribute their goods in the neighbourhood. The destination of the finished product is the retail grocer's shop, except when refined sugar goes to the confectioner, who of course takes delivery of it in large quantities.

Photo *Elliott & Fry*

SIR ROBERT LYLE

Chairman of Tate & Lyle, Limited

1437)—*bet. pp.* 564 *and* 565

COMMODITIES OF COMMERCE

Continued from page 466

GERMAN SILVER.—This is a hard, silvery white alloy of copper, nickel, and zinc, which is also known as nickel silver. The proportions used in making the alloy vary according to the purposes for which the German silver is intended. Two qualities are used for casting. In the first quality, the proportions of the three metals taken in the order shown above are 2, 1, 1; but this alloy is very difficult to work. The second quality has the following proportions: 5, 2, 3. This can be spun as well as Britannia metal, and it is largely used as the base of electro-plated goods, having almost entirely superseded copper in that respect. Many articles, such as spoons, forks, etc., are made of German silver alone; but as the alloy is easily attacked by acids, scrupulous cleanliness is necessary in the use of such articles. Various other substances have come into use in recent times which are closely allied to German silver, such as silveroid, argentoid, navoline, and nickeline. These contain, in addition to the three metals already mentioned, a small quantity of cadmium, tin, or other metal.

GLASS.—This is a product, generally transparent, formed by the fusion of certain siliceous and alkaline substances. The basis of silica is usually provided by sand, and alkaline earths or oxide of lead are fused with it in proportions which vary according to the purpose for which the resultant substance is intended. There are four principal kinds of glass, namely, flint, window, Bohemian, and bottle. The first, sometimes known as crystal or crystal glass, contains potash, silica, oxide of lead, and a small quantity of nitre. Window glass—crown, sheet, and plate—consists of soda, silica, and lime. Bohemian glass is made of the same ingredients as window glass, except that potash takes the place of soda. Bottle glass, which is the commonest of all, is composed of soda, silica, and lime, with an addition of marl, clay, and baryta. Great care is required in order to keep the ingredients free from iron, as this gives a greenish colour to the whole; but this can, however, be neutralised by the addition of oxide of manganese.

Many processes are involved in the manufacture of glass. The materials are first mixed, and then fused in special pots and furnaces. Pouring or blowing, according to the article required, is the next step. This is followed by annealing, after which the glass is ready for grinding, cutting, and polishing.

In normal times, glass is largely imported from France and Belgium, which supply the best sand required for the article ; but there is a very large industry carried on at St. Helens, in Lancashire. Bohemian glass has already been noticed, and Venice has long been renowned for its beautiful work. Quite recently, Jena became famous for its optical lenses and other glasses to be used for scientific purposes.

GOLD.—This is one of the most precious of metals, and, excepting platinum and iridium, the heaviest, its specific gravity being 19·3. It is more malleable and ductile than any other metal, and so soft that gold leaf of $\frac{1}{282000}$ of an inch in thickness may be prepared from it ; whilst 15 grains will provide 2,000 yards of the finest wire. Owing to its extreme softness, it can only be worked when alloyed with copper or silver. It is quite unaffected by the atmosphere, is an excellent conductor of heat and electricity, and melts only at a temperature of 1,067° C. Until quite recent times, gold was obtained from very restricted districts ; but for more than half a century Australia and California, and lately South Africa, have supplied the demands of the world. The valley of the Yukon, in Alaska, has also promised well for the future. Gold is found either in alluvial deposits or interspersed through quartz. In the former case, it occurs in the form of grains or nuggets mixed with clay, gravel, or sand, which are removed by running water. The rock deposits, however, are now the more important ; and the gold is extracted by machinery, and then treated by special methods which are too elaborate to set out in detail.

GUANO.—This is the name given to a very important kind of manure, consisting of the excrement of various sea-fowl and of other marine animals, such as seals. The word is derived from the Peruvian *huano*, which means " dung." The value of the substance consists in the fact that it contains all the elements necessary for plant life, being rich in phosphates and nitrogenous compounds. The chemical composition is exceedingly complex, and varies according to the locality where it is found and the age of the deposit.

The most valuable nitrogenous guano is found off the Peruvian coast, whilst guano in which phosphatic constituents preponderate is found in many islands of the Pacific and off the coast of Bolivia.

The use of guano was unknown until 1840, but after that time the imports into Great Britain became enormous: so great, indeed, that the supplies are becoming more and more exhausted, and artificial manures are now taking its place.

Fish guano, which is now largely obtained from Norway and is in much request as a manure, is the dried refuse of fish ground into a powder.

CARD INDEXING AND FILING

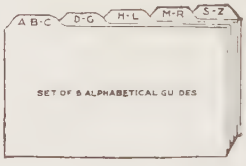
Continued from page 516

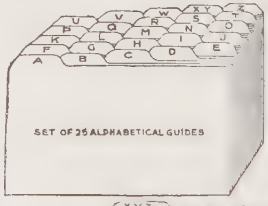
LESSON III.

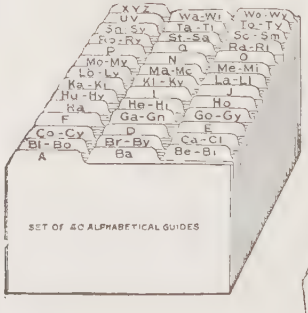
THE CARD INDEX (*continued*).—There are three stock sizes of cards in general use, approximately 3 in. × 5 in., 4 in. × 6 in., and 5 in. × 8 in., the first figure in each case denoting the height of the card, the other the width. These cards are usually referred to as the 3, 5 ; 4, 6 ; or 5, 8 card. Probably the 3, 5 card is most commonly used, but the 4, 6 cards find favour with doctors, dentists, and other professional men for use, as, for example, case or call cards. The 5, 8 card is chiefly used for the card Ledger. Provided that the cards are large enough for the records intended for them, and comfortable to handle, it will be found economical to obtain small cards ; there will be a saving of space and cost for drawers and cabinets, as well as cards. For those having to do with the Card Index, it will be important to remember that the capacity of a standard drawer is 1,000 light, 750 medium, or 500 heavy-weight cards ; also that perfect regularity of size and smoothness of edge are important to enable the fingers to pass rapidly over the cards without missing any. Cards may be loose in the drawer or have a rod passing through a hole or slot near the foot. The drawer may be locked so that it cannot fall when drawn out, and this is advisable if the cards are not held by a rod. The slot idea seems to be a better one than the punched hole method, because a twist of the rod enables the clerk to withdraw a card without pulling the rod out at all, and yet the cards are normally held quite securely. This will be properly understood by examining the illustrations herewith.

CARD PERFORATIONS FOR VARIOUS DESIGNS OF RODS (LIBRARY BUREAU, LTD).

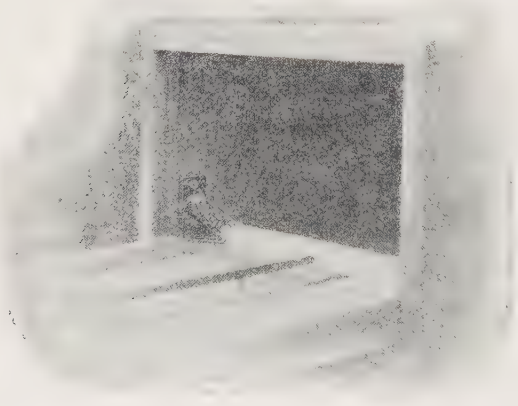
GUIDE CARDS.—Guide cards are cards which have small projections at the upper edge, upon which are printed or may be otherwise inscribed index pointers—letters of the alphabet and subdivisions of alphabetical classifications, names, etc. These guides, which are stouter than the ordinary cards, are prepared with different cuts for the index lips, a common one being five to the width ; say, A, the first on the left ; B next, and so on across the card, each tab being plainly







GUIDE CARDS (GLOBE-WERNICKE).



PATENT AUTOMATIC TRAY STOP (LIBRACO, LTD.)

visible, the sixth starting again on the left, and so on. These tabs may be obtained one, two, three, or more to the width. A very useful application of the single tab is for large geographical districts, such as counties; towns could be indicated by those extending half or one-third of the way across, according to needs; the various illustrations will make this clear.

Smaller tabs ($\frac{1}{4}$ in.)—twenty to the 5 in. card—are very useful in some cases for sub-divisions of classes and for numerical cards, with which different colours may be used for units, tens, and hundreds, perhaps thousands. Ten units extend across the width, and the tens, hundreds, and thousands are to the left of them.

Record cards may be placed either before or after the guide cards; the writer's preference is for placing them before, and when one is abstracted, a blank card of a different colour, slightly higher, may be inserted. After restoration of the record card, this "Indicator" is removed to the front or back of the tray. Indicators prevent mis-filing, which is much more likely to occur after cards have been taken out than on the original filing of them.

Information about new markets, new businesses, new methods, new customers, should be accessible. In the well-organised business house the Card Index is ready to supply important facts; in those houses where the importance of the Card Index has not been realised, it will often be found that there is also inefficient filing in operation.

An application for an agency comes from a district in which a firm is unrepresented. The letter may contain useful information; and though at the time it may be inconvenient or inopportune to proceed further in the matter, it may be advisable in a year or two to get in touch with the applicant. Under the old way it would be difficult to find his letter; with cards, and possibly suitable cross-references and the numerical system of filing, or even the alphabetical method, it would be easy to find the information. We illustrate this suggestion by three specimen cards, two of which may have simply the name and cross-reference to the other one, which has all the details, or they may be detailed as shown.

AGENCY. 148
HEALDS & REEDS
NARA WALLA & Co.
Calcutta
28 June 22

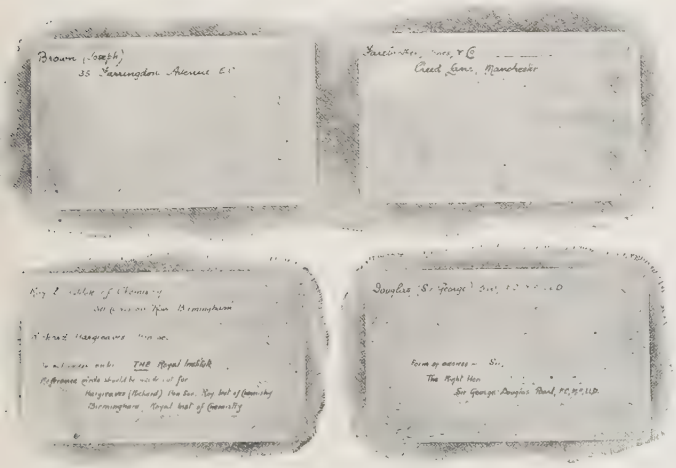
NARA WALLA & Co. 148
Calcutta
AGENCY—HEALDS & REEDS
Bengal
28 June 22

INDIA—BENGAL 148
AGENCY—HEALDS & REEDS
NARA WALLA & Co.
Calcutta
28 June 22

Subject cards may be kept in the same drawer as name cards, but if they are at all numerous they should be kept separate. This is another of the advantages of the Card System: not only is it simple, but it is readily adaptable to requirements.

When schemes of various sorts, such as changing from horse to motor traction, extending the business operations, opening a new branch, enlarging the premises, turning a business over to a limited company, have been under consideration, if the matter is shelved for a time, the data gathered together should be summarised on a card or cards and filed away so that they may be immediately called up in the future.

Cross-references. One of the advantages of the Card Index is that several records may be made of the same matter (e.g. under Name and under Subject, or under two names, as in the case of a correspondence started by an individual, perhaps, from a private address, and continued by his firm). Both lots of letters may be put together or linked by means of the cards, and each card may have a



NAME CARDS (LIBRACO, LTD.)

reference to the other card. The last point is, however, important for the reason that when the contents of a certain folder have become useless and are destroyed or transferred as dead matter, the withdrawal of all name cards relating to that folder is easily possible, as reference to one gives the index to the others. The utility of the cross-reference may also be extended to the correspondence relating to agreements, catalogues, etc. (e.g. a letter relating to a catalogue would be marked "see B 84," or whatever the catalogue call number might be, and on the catalogue would appear "see A 146, 24 June 22"—the number of the correspondence folder and date of the letter).

Elaborate filing such as this is, of course, subject to what is said elsewhere about the value of an idea. "Is such elaboration necessary?" is a question for each individual case. It is quite clear that in many cases, especially where there are few catalogues, the extension of the cross-reference last noted is quite unnecessary.

Cross-reference to name cards should be from the least to the most important, e.g. from a card for an individual member of a firm to the firm card itself—

JACKSON, JOSEPH See Jackson & Brough.	94

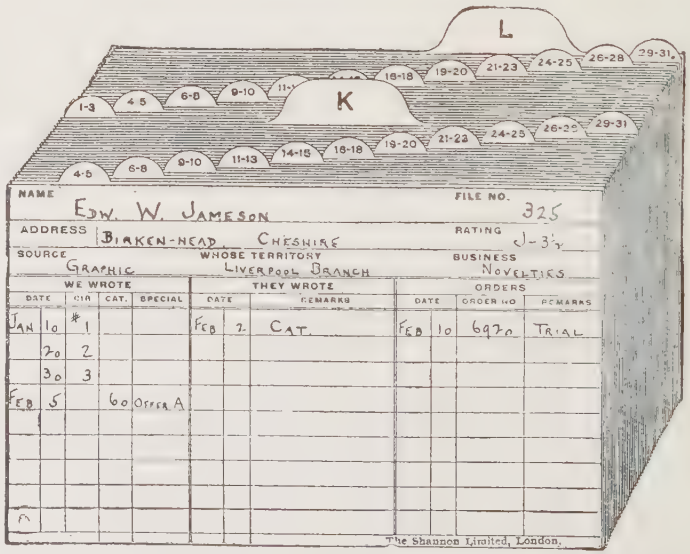
The least important is known as a "See" card.

The more important of two cards relating to a compound name, according to our plan of indexing, would be the one indexed under the *last* name, as for Wm. Gore-Brown & Co., Brown (Wm. Gore- & Co.); the other under G would be a "See" card.

As has been said before, the details may be repeated on each card; this is especially useful for name and subject cards, as already shown in our cards respecting agency.

APPLICATIONS OF THE CARD SYSTEM.—Not to name the possible applications, it is quite certain that no one could bring together all the actual applications of the Card System. Because of the infinite number of problems of indexing, which may be satisfactorily solved by the use of the cards, the immense saving of labour and the great increase in efficiency which result from their use, readers are strongly urged to get in their minds no narrow view of card records, but to be firmly impressed by the thought of the illimitable extension possible to the Card System. The examples which are here given of the use of cards are merely suggestive of the actualities and possibilities of card indexing, and they should give to the student a keen desire to see if there are any problems in his experience which can be solved by card records. Even if he may not have the power at present to apply his knowledge, he will at least be preparing his mind for grappling with difficulties and formulating methods, and his own future efficiency and advancement will be more likely to be assured. Of course, it is true that there are those who are "system mad," who accept with open hands anything in the way of method, machinery, or appliance which comes to their notice. Such persons should remember the truism that a new thing is not necessarily a good thing, and not necessarily one which can be properly utilised in a particular place. "What is the end aimed at?" is one question; and "Does the end justify the means which are proposed?" is another—both of which must be properly faced and answered before the new idea is taken up.

FOLLOWING UP INQUIRIES.—In following up inquiries from prospective customers, the use of cards is invaluable. From the time when an advertisement has caused the "prospect" to send for a catalogue or price list, it may be necessary to send many form letters before a sale results. In conjunction with Index Signals, which are illustrated later, a satisfactory system is easily evolved. Every inquirer is a potential purchaser, and the methodical advertiser now leaves little to chance in the matter of following up inquiries. The cards used for this purpose become an inquirers' register, which may indicate the source of inquiries and contain other important particulars.



SECTION OF FOLLOW-UP FILE, SHOWING A METHOD OF BROUGHT FORWARD CASES, ARRANGED ALPHABETICALLY ON PARTICULAR DAYS OF THE MONTH (SHANNON, LTD.).

COMMERCE

Continued from page 513

XII.

EXPORT TRADE.

"And you are doing a good trade abroad," said the visitor; "how do you get hold of it?"

"Well, I hardly know," he answered. "We have been established a good many years, and . . . it comes."

Talk to any merchant or manufacturer about his home business, and he will flood you with eloquence and overwhelm you with details. Then talk about his foreign trade, and you will get a reply something like the one stated above.

Why?

The reason is frequently that the answer is a true one. The house with a good reputation at home obtains a reflected fame abroad.

Every Englishman who goes abroad to settle, or as a globe-trotter, becomes a commercial traveller of home productions without knowing it.

In South Africa, or West Canada, in the banana lands of the tropics or the wide flats of Australia, he pines for "Huckleberry's Chocolate Wafers" or "Cranthorp's Pimlico Lawn-mowers." He had them in happy England, and he rates the local store-keeper severely if he cannot get them a few thousand miles away.

So the business "comes."

Store-keepers near the sheep farms and on the illimitable veldt are not foolish about hints, and they are frequently on the look-out for something good.

They would not order a single box to please a "crank," but when they find that the name Huckleberry brings childhood memory tears to the eyes of all the local English-reared residents, they will cable through for a gross.

England's emigrants have been her foreign commercial travellers, and her sterling value for money her foreign advertisement. It takes a century or so to build this class of trade, but "it comes."

Yet the manufacturer who heads this column must not be taken too seriously. The experienced business man frequently cultivates a preoccupied manner when awkward questions are asked. "It comes" is a good reply and serves to foil the interest of the investigator, but it may be more evasive than correct.

The truth is, everyone knows what a man is doing in England; but only a few shippers can guess the snug little trade he has built up in Algiers.

A remarkable feature of English export trade with many firms is that it is "good in patches." The London firm that cannot sell an ounce in Genoa may want to charter a tramp steamer for its consignment to Naples.

This may be all part and parcel of the "It comes" answer.

"Why do you do so much in New Zealand and so little in Australia?" a merchant is asked.

"My grandfather started that trade sixty years ago," replies the merchant. "His cousin went out to New Zealand and in an idle hour got a local firm to take us up, and the business grew."

Now, when a firm has one or more of these oases of prosperity in the great desert of foreign parts, that firm is going to be very guarded in references to such trade. The easier the success the greater the peril is a rule that covers such cases. The trader may want all other ports to be as good as Naples, but he lives in the fear that Naples may become as bad as all the other ports.

It is not suggested that England's export trade up to now has been entirely haphazard and the fruits of chance inquiries, for there are many firms which have carried on their foreign branches with commendable vigour and adaptability for generations. But it is undoubted that the English business houses as a whole have been exceedingly timid of venturing upon extended trading abroad.

Probably the chief reason for this is our insular misunderstanding of foreign people, which confirms an old prejudice. To state it bluntly, an Englishman feels that where foreign commercial customs differ from our own, they differ to the advantage of dishonest people. He knows that he can give credit safely at home, but he is not so sure about delightful Holland or sunny Spain.

Beyond this fear, he has the barrier of our antiquated methods of counting money and weights and measures. Every quotation and every deal means a mathematical conundrum, and as he does not keep a senior wrangler in his office, he reasons: "If they want my goods, let them work it into kilos and francs themselves."

The export business is largely regarded by business men as beset with pitfalls and perils. Many of those who do this class of trade let them think so, with the very sincere desire to keep a good thing to themselves.

This is a state of affairs that will not obtain much longer. The Great War has taught England that "foreign parts" not only means Canadian cornfields, but Amsterdam drapery stores. The country is convinced now that there are not only sheep farmers in Australia, but fashionable shoppers with well-lined purses in Barcelona and Milan.

"It comes" has brought thousands into English coffers. "We will go and fetch it" will bring millions.

STATISTICS

LESSON I.

DEFINITION OF STATISTICS.—Statistics are "numerical statements of facts in any department of enquiry placed in relation to each other" (*Bowley*). From the foregoing it would appear that numerical statements as to isolated matters or units cannot be considered to be statistics Statistical information, therefore, can be obtained as to groups, classes, and series, and inferences can be drawn from the numerical statements of facts obtained. A statistical group is present when a large number of things similar in type, but differing in some measurable particular are brought together. Numerical statements can be made about the things as a whole, that is they are dealt with as a group. E.g. the workers in the printing trade, the unmarried males of a nation. Measurable particulars in which various members of these groups may differ are wages in the case of the workers in the printing trade, age in the case of unmarried males. Where members of a group can be gathered together so that the various persons differ in no measurable particular, such members constitute a class, and numerical statements in respect of them will be statements as to a class. If periodically groups and classes can be compared and the figures obtained arranged in order, we obtain statistical series: thus the population of a given city for each year of the last hundred years would be a statistical series relating to a group.

VALUE OF STATISTICS.—Statistics are useful for measuring the progress of communities and of businesses, and for making comparisons between facts represented by figures as they emerge from time to time and from place to place in respect of similar groups or classes, e.g. comparison of agricultural wages in England and Scotland, the comparison of the death rate in two urban areas, the comparison of the birth rate in urban and rural areas, etc.

It is the business of the statistician to measure social progress or otherwise by means of numerical facts which are placed before him. Thus, with adequate safeguards, eliminating factors tending to produce abnormal conditions, the progress of society in relation to crime can be measured by reference to statistics of the number of criminal cases of various types heard in the courts, the number of convictions, the number of first offenders punished, etc., at various periods. It is important to remember that conclusions which are apparently rightly drawn may be quite wrong owing to the whole of the facts not being before the enquirer. Thus the amount of unemployment in a given industry may be measured by reference to trade union returns, but this measure is an erroneous one where a large percentage of the workers belong to no union. It may be argued that the percentage within the union is a sample of the whole, and therefore reliable. It should, however, be remembered that the non-unionist may under certain circumstances obtain employment by reason that he does not demand union conditions. Thus unemployment within the union is not a fair measure of the whole. Similarly, in business, the fact that turnover has increased is no proof that profits are on the up grade. Expenditure must also be considered. In other words all the figures must be before us before conclusions can be drawn. The work of the statistician is to apply the theory of probability to the known facts of the past in order to obtain results which may be of use in the future.

The student of statistical information, be he a man of affairs, will realise that numerical facts cannot be taken from other related facts with advantage, and it is not safe to rely on conclusions drawn from figures which have been taken away from other relationships. Even accurately prepared statistical information may prove a dangerous weapon in the hands of persons who fail to recognise the incompleteness of figures taken alone.

ISOLATED FIGURES NOT STATISTICS.—The unscientific thinker is often led into considering that any figures representing concrete quantities are statistical information. It may be interesting to know that a certain tradesman earns £5 per week on the average, and is able with that amount to keep a wife and four children in a six-roomed house, the rent of which is 15s. per week. All these may be interesting facts, but unless the workman is the average of his class and not merely William Smith, the information is of no statistical value, since it may be found by taking numerous examples of men in similar positions that £4 5s. per week is the average wage. Another word of warning may be given to the student in relation to conclusions to be drawn. Do not exaggerate; the principal cause of failure in the application of statistical knowledge is neglect of information as to how the statistics were produced, the measure of their exactness, the method of collection, and the reliability of those responsible for them. As an example, where information is required which necessitates the filling of forms, it is necessary to know the amount of oversight given in the case of uneducated persons. Similarly, details should be known in relation to persons collecting information.

COMMERCIAL FRENCH

Continued from page 523

KEY TO EXERCISES IN PART 11 (p. 523).

1. The irregular arrivals (*lit.* the irregular movements of the arrivals) have stopped the rise in the market.

2. We have received your favour of the 5th inst. and also (*lit.* as well as) the price lists which it contained.

3. We are not familiar enough (*or* sufficiently familiar) with your products to judge whether they are suitable for us.

4. We should be pleased to be able to judge of (*lit.* appreciate) them and to assure ourselves of their quality.

5. We have extracted (*or* taken) from your catalogues a list of articles of which kindly send us samples.

6. I am sending you by this post half a dozen of each as samples.

7. Please give your best attention to the careful execution (*or* carrying out) of this fresh order.

8. It will be by the excellent making up of these articles that our buyers will be attracted.

9. If they are satisfied with them we will forward (*or* send) you some important orders.

10. Please draw on us for the amount of your invoice one month after date.

11. Rest assured of (*lit.* believe, Sir) our desire to open up business with the firms you represent.

12. I read in to-day's *Matin* your advertisement for a junior shorthand clerk.

13. I have been working for ten months in the office of Mr. White, builder and contractor.

14. It is at this milliner's that I have my new hats made.

15. The account cannot be correct, the debit and credit do not balance.

16. Have you any chance of sale for the articles of which samples are enclosed ?

17. Which book do you use most when you are doing a French translation ?

18. When will he come for me ? He will call on you to-morrow morning at ten o'clock.

19. I send you herewith (*lit.* under this cover) a bill of exchange for 500 frcs. which falls due on the 20th inst.

20. Please be good enough to arrange for its collection (*or* payment) and place the amount to my credit.

1. *Ne croyez-vous pas avoir payé trop cher cette partie de soie ?*

2. *Le prix paraît sans doute assez élevé, mais je suis sûr qu'elle* (i.e. *la partie*) *sera d'une vente facile* (or *qu'elle s'écoulera facilement*).

3. *Malgré les bruits de la guerre, les fonds publics ont été très demandés ce matin.*

4. *Nous étions surpris de l'augmentation imprévue du prix des actions de cette Compagnie.*

5. *Puisque la hausse n'était que passagère, nous sommes contents de les avoir vendues.*

(P.P. after *avoir* agrees with preceding Direct Obj. *les*, here referring to *actions*.)

6. *L'assemblée des créanciers dura trois heures ; beaucoup plus longtemps que nous ne l'avons attendu.*

7. *Quand le représentant de cette maison arrivera, faites-le monter chez le directeur* (or *gérant*).

8. *Regardez à cette lunette et dites-moi la nationalité de ce vaisseau-là.*

9. *Si les couvertures de coton ne sont pas expédiées tout de suite, elles arriveront trop tard pour* (*être mises en vente*) *cette saison-ci.*

10. *J'ai passé aujourd'hui chez le plus grand marchand de nouveautés de la ville, et on m'a recommandé de repasser demain* (or *on m'a dit qu'il faudra retourner demain*).

11. *Le sous-acheteur trouvait mes échantillons à son goût, et se croyait sûr que l'on me ferait parvenir une commande d'essai.*

12. *Notre commis voyageur commencera son voyage le mois prochain et il arrivera chez vous dans trois semaines.*

13. *Nous avons nolisé* (*affrété*) *un vaisseau, et la livraison sera faite à votre port.*

14. *Les marchandises que vous avez commandées sont prêtes ; voulez-vous qu'elles soient encaissées ou emballées ?*

15. *Nous préférons les faire emballer pour* (or *afin d'*) *économiser le fret.*

16. *Veuillez faire cercler les balles aux bouts ainsi qu'au milieu.*

17. *Les marchandises qui sont prêtes ne sont pas suffisantes pour une caisse ; comment faut-il les envoyer ?*

(N.B. *How* seems preferable to *where*.)

18. *Nous ne pouvons pas emballer de lourdes parties d'épingles à l'intérieur des paniers* (or *dans les paniers*) *; faut-il les encaisser ?*

LESSON XII.

INTERROGATIVE PRONOUNS.—The Interrogative Pronouns in French are—

qui	who (persons only)
de qui	of whom, from whom
à qui	to whom, whose
que	what (things only)
de quoi	of OR from what
à quoi	to OR at what
lequel, laquelle / *lesquels, lesquelles*	which, which one

EXAMPLES.

Qui *a dit cela ?* Who said that ?

De qui *parlez-vous ?*
Of whom are you speaking ?

De qui *avez-vous reçu cela ?*
From whom have you received that ?

Que*voulez-vous ?* OR **Qu'est-ce que** *vous voulez ?* } What do you want ?

Qu'est-ce qui *nous empêche de vendre ces marchandises ?*
What prevents us from selling these goods ?

Qu'est-ce que *cela fait ?*
What does that do ?

De quoi *parlez-vous ?*
Of what are you speaking ?

A quoi *pensez-vous ?* { Of what are you thinking ?
penser à to think of

Lequel, laquelle, lesquels, OR **lesquelles** are used instead of *qui* and *que* when there are two or more objects of which a choice is indicated.

Voici deux livres ; **lequel** *préférez-vous ?*
Here are two books ; which do you prefer ?

Voilà trois plumes ; **laquelle** *préférez vous ?*
There are three pens ; which do you prefer ?

Lesquels *de ces messieurs sont vos associés ?*
Which of these gentlemen are your partners?

Lesquelles *des lettres avez-vous lu ?*
Which of the letters have you read ?

Quoi ("what") cannot be used for the English interrogative : "What ?" The latter must be ranslated by COMMENT ? **Quoi** may be used, however, as an exclamation—

Quoi ! Vous me dites cela !
What ! You tell me that !

IRREGULAR VERBS.—

plaire	to please	Conjugated like *plaire*
complaire	to humour	
déplaire	to displease	
se déplaire	to be displeased with	
se plaire à	to delight in	
taire	to conceal, keep secret / to pass over in silence	
se taire	to be silent	

Pres. Infinitive	— *plaire*	to please
Pres. Participle	— *plaisant*	pleasing
Past Participle	— *plu*	pleased
Pres. Indicative	— *je plais, tu plais, il plaît, nous plaisons, vous plaisez, ils plaisent*	
Imperfect	— *je plaisais*, etc.	
Preterite	— *je plus*, etc.	
Future	— *je plairai*, etc.	
Conditional	— *je plairais*, etc.	
Pres. Subjunc.	— *que je plaise*, etc.	
Imperf. Subjunc.	*que je plusse*, etc.	
Imperative	— *plais, qu'il plaise, plaisons, plaisez, qu'ils plaisent.*	

NOTE. *Complaire, déplaire,* and *plaire* govern the Dative Case (i.e., they take the preposition *à* before the object—

plaire à quelqu'un to please someone
complaire à quelqu'un to humour someone
déplaire à quelqu'un to displease someone

rire	to laugh	Conjugated like *rire*
se rire de	to laugh at	
sourire	to smile	

Pres. Infinitive	— *rire*	to laugh
Pres. Participle	— *riant*	laughing
Past Participle	— *ri*	laughed
Pres. Indicative	— *je ris, tu ris, il rit, nous rions, vous riez, ils rient.*	
Imperfect	— *je riais*, etc.	
Preterite	— *je ris*, etc.	
Future	— *je rirai*, etc.	
Conditional	— *je rirais*, etc.	
Pres. Subjunc.	— *que je rie*, etc.	
Imperf. Subjunc.	*que je risse*, etc.	
Imperative	— *ris, qu'il rie, rions, riez, qu'ils rient.*	

suivre	to follow
poursuivre	to pursue, prosecute (like *suivre*)
s'ensuivre	to ensue, result (3rd Person Singular only)

Pres. Infinitive	— *suivre*	to follow
Pres. Participle	— *suivant*	following
Past Participle	— *suivi*	followed
Pres. Indicative	— *je suis, tu suis, il suit, nous suivons, vous suivez, ils suivent.*	
Imperfect	— *je suivais, tu suivais, il suivait*, etc.	
Preterite	— *je suivis*, etc.	
Future	— *je suivrai*, etc.	
Conditional	— *je suivrais*, etc.	
Pres. Subjunc.	— *que je suive*, etc.	
Imperf. Subjunc.	*que je suivisse*, etc.	
Imperative	— *suis, qu'il suive, suivons, suivez, qu'ils suivent.*	

vivre	to live
revivre	to revive
survivre à	to outlive, survive

Conjugated like *vivre*

Pres. Infinitive	— *vivre*	to live
Pres. Participle	— *vivant*	living
Past Participle	— *vécu*	lived
Pres. Indicative	— *je vis, tu vis, il vit, nous vivons, vous vivez, ils vivent.*	
Imperfect	— *je vivais*, etc.	
Preterite	— *je vécus*, etc.	
Future	— *je vivrai*, etc.	
Conditional	— *je vivrais*, etc.	
Pres. Subjunc.	— *que je vive*, etc.	
Imperf. Subjunc.	*que je vécusse*, etc.	
Imperative	— *vis, qu'il vive, vivons, vivez, qu'ils vivent.*	

vaincre	to conquer, vanquish
convaincre	to convince (like *vaincre*)

Pres. Infinitive —	*vaincre*	to conquer, vanquish
Pres. Participle —	*vainquant*	conquering, vanquishing
Past Participle —	*vaincu*	conquered, vanquished
Pres. Indicative —	*je vaincs, tu vaincs, il vainc, nous vainquons, vous vainquez, ils vainquent.*	
Imperfect —	*je vainquais*, etc.	
Preterite —	*je vainquis*, etc.	
Future —	*je vaincrai*, etc.	
Conditional —	*je vaincrais*, etc.	
Pres. Subjunc. —	*que je vainque*, etc.	
Imperf. Subjunc.	*que je vainquisse*, etc.	
Imperative —	*vaincs, qu'il vainque, vainquons, vainquez, qu'ils vainquent.*	

Vocabulary.

le vendeur	the seller
tirer sur	to draw on
l'acheteur	the buyer
telle somme	such a sum
telle échéance	such a date
renseignements	information
le signataire	the signer, subscriber
fortes rentrées	large payments; receipts
faire face à	to meet
fin courant	end of the present month
les remises	the remittances
bien conditionnées	in good condition
habitués à	accustomed to, used to
convenir de	to be expedient
seconder	to support
les créanciers	the creditors
arrieré	behindhand
au comptant	for cash
à crédit	on credit
la société anonyme	limited company
contracter	to agree on; set up
moissonner	to reap
la moisson	the harvest
la cargaison	the cargo
caisses à claires-voies	crates
sale	dirty
mettre en vente publique / *vendre aux enchères*	to put up to auction
dégraisser, nettoyer	to clean
la France	France
la Suisse	Switzerland
l'Italie	Italy
les pardessus	overcoats
équivaloir	to be equal to
échanger	to exchange
l'estampille (f.)	the stamp (for cloth)
calicot écru	grey calico
télégraphier	to cable
tenir	to hold
annuler	to cancel
toile blanchie pour draps de lit	bleached sheeting
les limites (f.)	the limits

Traduisez en anglais.

1. *Le vendeur tire sur l'acheteur et le prie de payer telle somme à telle échéance.*
2. *Le banquier prend des renseignements sur le signataire et il avance l'argent.*
3. *Il en déduit l'escompte, autrement dit l'intérêt de l'argent jusqu'à l'échéance.*
4. *Je comptais sur de fortes rentrées pour faire face à vos traites sur moi fin courant.*
5. *Nous voyons qu'il y a longtemps que nous n'avons eu de vos remises.*
6. *Vous voudrez bien veiller à l'emballage de ces marchandises en caisses bien conditionnées.*
7. *Habitués à ces sortes d'affaires, nous savons ce qu'il convient de faire.*
8. *Rien ne saurait être négligé pour seconder les vues de nos représentants.*
9. *Nous avons tout lieu de croire que les créanciers recevront au moins 47½ %.*
10. *J'ai à vous rappeler que vous êtes tant soit peu arrieré dans vos remises.*
11. *Quelle est la différence entre la vente au comptant et à credit ?*
12. *Nous venons de contracter une nouvelle société anonyme sous la raison sociale. . . .*
13. *Nous avons fixé le prix et il me livrera la marchandise que quand le blé sera moissonné.*
14. *On peut vendre sans avoir actuellement les produits qu'on offre de vendre.*

Translate into French.

1. The cargo of oranges was very good; we sold 1,000 crates in a short time.
2. At first, we did not think the wool would sell: it was so dirty.
3. We put it up to auction and were astonished to get a good price for it.
4. Will you kindly ask your oversea friends to see that future lots are cleaned?
5. Which country do you like the best; France, Switzerland, or Italy?
6. Stop shipment of the second delivery of overcoats; goods are not equal to sample.
7. We enclose copies of three telegrams exchanged since our last letter.
8. The stamp has arrived this morning, and we will use it for the 200 pcs. grey calico.
9. Please cable immediately on receipt of this; we can only hold for four weeks.
10. Cancel the order for the bleached sheeting; we cannot pay the price asked.
11. The order is impossible at the limits you give; prices are 15 % higher to-day.
12. We wired you yesterday morning advising the sudden advance in cotton prices.

COMMERCIAL GERMAN

Continued from page 527

Key to Exercises in Part 11 (p. 527).

I cannot understand the letter. I tell you I cannot understand the letter. He cannot accept your order. We shall accept his order. We cannot go there now. Can you tell me when the train starts? You cannot come to town. We could not send any patterns. Can you not (*or* are you not able to) translate this letter? I could (*or* should be able to) translate it, if I had a dictionary. We could (*or* should be able to) pack the goods now, if the workmen were here. I could tell you the price now, if I had my book with me. Were you able (*lit.* have you been able) to understand the letter? Yes, I was. Was he able to come? Yes, he was. I can grant you a reduction (in price). Will you be able to grant a reduction? Who has to pay the duty? The customer has to pay it. Who has to go to Berlin? The traveller has to travel there (*lit.* thither). We must sell the goods. Why must you sell the goods? The colour must be lighter in future. He must be right. Must I copy the letter? If you want to learn the language, you must be attentive. If you want to see him, you must go to Crefeld. Did you have (*lit.* have you had) to go there? Yes, I had to. Did he have to sell the goods more cheaply? Yes, he had to (do so). Must you really go there? Yes, unfortunately I must do so. It must be right. May I keep the sample? May he play now? He may (*or* must) not smoke. We may (*or* must) not speak now. One may (*or* must) not speak loudly here.

Können Si verstehen, was ich sage? Ja, ich verstehe es, or *ich kann es verstehen. Können Sie unsern Auftrag annehmen? Nein, ich kann ihn nicht annehmen. Können Sie mir den Preis sagen? Sie kann heute nicht kommen. Wir können Ihren Brief nicht verstehen. Wir konnten Ihren Brief nicht verstehen. Wir konnten Ihren Auftrag nicht annehmen. Hat er unsern Auftrag annehmen können? Haben Sie seinen Brief nicht verstehen können? Haben wir solches Tuch nicht anbieten können* (or *konnten wir solches Tuch nicht anbieten*)? *Können Sie mir das Muster zeigen? Können Sie mir das Tuch zeigen? Können Sie mir eine Preisermässigung bewilligen? Sie müssen den Zoll bezahlen. Wer muss die Fracht bezahlen? Müssen wir die Spesen bezahlen? Wer muss den Schaden bezahlen? Sie müssen uns eine bessere Qualität senden* (or *schicken*). *Sie müssen uns eine Preisermässigung bewilligen, weil die Ware(n) beschädigt ist* (*sind*). *Wer muss nach Berlin gehen? Ich muss dahin gehen. Wir müssen diesen Betrag bezahlen. Sie müssen mehr lesen. Ich habe einen Bericht senden* (or *schicken*) *müssen. Wer hat es tun müssen? Wer musste die Rechnung bezahlen* (or *hat die Rechnung bezahlen müssen*)? *Müssen Sie nach Essen gehen? Ja, ich muss dahin gehen. Darf ich diesen Bericht lesen? Niemand darf ihn lesen. Darf er dieses kleine Bild behalten? Darf ich jetzt sprechen? Er darf nicht rauchen. Wir durften ein solches Buch nicht lesen* (or *wir haben ein solches Buch nicht lesen dürfen*), *als wir jung waren. Darf ich das Fenster aufmachen* (or *öffnen*)? *Dürfen wir jetzt gehen? Warum gingen Sie nicht dahin* (or *warum sind Sie nicht dahin gegangen*)? *Wir durften nicht dahin gehen* (or *wir haben es nicht gedurft*). *Warum ist er nicht gekommen* (or *warum kam er nicht*)? *Er hat es nicht gedurft* (or *er durfte es nicht*).

LESSON XII.

The following three Auxiliary Verbs of mood—

mögen	to like, **to be fond of**, may
wollen	**to be willing to, to wish to, to want to,** to will
sollen	**to be said to, to be ordered to, to have been told to**

are treated in the same way as *können, müssen,* and *dürfen.*

Note, however, that the Imperfect Subjunctive or Conditional is the same as the Imperfect Indicative with *wollen* and *sollen.* All the rules of the preceding Lesson apply to the above verbs.

Mögen is often used with an Accusative, and then it must always be translated by "to like," "to be fond of"; otherwise it denotes a logical possibility or inclination, etc.

Es mag wahr sein = it may be true; but the English "may I?" when asking for permission, is usually to be translated by *darf ich?* or *kann ich?*

Future.

Er wird nicht arbeiten mögen
He will not **like to** work.
Er wird die Muster sehen wollen
He will **want to** see the samples.
Sie werden es sollen
They will **have to** do it; or
They will **be ordered to** do it.

The Conditional *ich würde* with the Infinitive is never used with *wollen.* It may, however, be used with *mögen* and *sollen;* but the Imperfect Subjunctive form is generally used with these verbs.

The Past Participles of *mögen, wollen,* and *sollen* are—

gemocht	liked
gewollt	**wanted to, liked to,** etc.
gesollt	**been ordered to, had to**

Sollen also expresses a moral obligation or duty.

Du sollst nicht stehlen Thou shalt not steal.
Wer hat es nicht gemocht ? Who did not like (to do) it ? OR Who has not liked (to do) it ?
Wer hat es nicht gewollt ? Who did not want to do it ?
Wer hat es gesollt ? Who **was ordered to** do it ?
Wer hat nicht dahin gehen mögen ? Who did not like to go there ?
Wer hat den Auftrag nicht annehmen wollen ? Who did not want to accept the order ?
Wer hat den Vertrag unterschreiben sollen ?
Who { ought to / **was ordered to** } sign the agreement ?
Whose duty was it to sign the agreement ?

As there is no distinction between the Imperfect Indicative and the Imperfect Subjunctive or Conditional, we often use the expression *doch* as emphasis with the two latter tenses. *Doch* is usually not translated, but may be translated by " indeed," " then," etc.

Sie soliten die Ware doch besser verpacken
You ought to pack the goods better.
Sie sollten doch schneller schreiben
You ought to write more quickly.
You ought to have = *Sie hätten . . . sollen*
Sie hätten früher kommen sollen
You ought to have come earlier.
Sie hätten die Hüte besser verpacken sollen
You ought to have packed the hats better.

Present Indicative.			Imperfect Indicative.		
ich, er, sie, es	*mag*	I, he, she, it — like to / likes to	*ich, er, sie, es*	*mochte*	I, he, she, it — liked to
wir, Sie, sie	*mögen*	we, you, they — like to	*wir, Sie, sie*	*mochten*	we, you, they — liked to

Present Subjunctive.			Imperfect Subjunctive and Conditional.		
ich, er, sie, es	*möge*	I, he, she, it — may OR like to	*ich, er, sie, es*	*möchte*	I, he, she, it — might OR **should (would) like to**
wir, Sie, sie	*mögen*	we, you, they — may OR like to	*wir, Sie, sie*	*möchten*	we, you, they — might OR should (**would**) like to

Present Indicative.			Imperfect Indicative or Imperfect Subjunctive or Conditional.			Present Subjunctive.		
ich, er, sie, es	*will*	I, he, she, it — will OR **desire to, wish to, want to**	*ich, er, sie, es*	*wollte*	I, he, she, it — **wanted to,** OR **should want to,** etc.	*ich, er, sie, es*	*wolle*	I, he, she, it — will OR **desire to,** etc.
wir, Sie, sie	*wollen*	we, you, they — will, OR **desire to, wish to, want to**	*wir, Sie, sie*	*wollten*	we, you, they — **wanted to,** OR **should want to,** etc.	*wir, Sie, sie*	*wollen*	we, you, they — will OR **desire to,** etc.

Present Indicative.

ich		I	shall **am ordered to, am told to, am to**
er *sie* *es*	*soll*	he she it	shall, **is ordered to, has been told to, is to,** etc.
wir *Sie* *sie*	*sollen*	we you they	shall, **are ordered to,** **are** OR **have been told to,** etc.

Present Subjunctive.

ich *er* *sie* *es*	*solle*	I he she it	shall, etc. (as above)
wir *Sie* *sie*	*sollen*	we you they	shall, etc. (as above)

Imperfect Subjunctive or Conditional.

ich *er* *sie* *es*	*sollte*	I he she it	**was told to,** OR should, OR **ought to,** etc.
wir *Sie* *sie*	*sollten*	we you they	**were told to,** OR should, OR **ought to,** etc.

Idiomatic Uses.

Sollen is often used to express a vague statement or rumour—

Er soll sehr reich sein
People say he is very rich.

Die Stadt soll sehr schön sein
The town is said to be very beautiful.

Er soll vor drei Tagen gestorben sein
People say he died three days ago.

Wollen is used in the sense of pretending—

Er will die Sprache besser verstehen als wir
He pretends to understand the language better than we.

Er will es gesehen haben
He pretends to have seen it.

Vocabulary.

das Brunnenwasser	the well water
der Freund	the friend
der Korb	the basket
der Vorrat	the stock
der Durchschnittspreis	the average price
per Eisenbahn	by rail
Russland	Russia
das Band	the ribbon
der Umsatz	the turnover
empfehlen	to recommend
versichern	to insure
laut	loud

Translate into German.

He does not like to speak German. She does not like to read aloud [*laut*]. I did not like the new book. Did you not like the picture? I should like to know why he does not send us the samples. Would you like to live in Germany? I should like to visit Russia. We should like to buy this article. Will you come with me to [*nach*] London? Why do you not want to buy the ribbon? Which hat do you want to buy? He does not want to buy anything. He does not want to see him. Whom did he want to see? He wanted to buy the article. They wanted to know [*wissen*] the average price. We wanted to go there by train [*mit dem Zug*]. Who is to copy the letter? Who is told to go there? We are told to write better. He is told to pack the goods carefully. You ought to pay the bill of exchange. You ought to send us the average price for the article. You ought to send the goods by rail. You ought not to send them by boat. Who ought to pay the duty on (for) the article? He is told to work better. You ought to send us the amount. He ought to visit the town. You ought to give us the order. You ought to sell this yarn in Bombay. You ought to send the samples by post. He will want to buy the goods if he sees them. He wants to increase the turnover. Whom do you want to see?

COMMERCIAL SPANISH

Continued from page 530

KEY TO EXERCISES IN PART 11 (p. 530).

1. We have noticed an error in the abstract of account current which you have sent us. 2. We beg you kindly to rectify it. 3. We wish you to explain to us how it has occurred. 4. We quote you these prices, including the charge for folding. 5. He has paid me this sum in full. 6. The turnover, on an average, reaches £100,000 per annum. 7. We are going to make you a shipment of timber. 8. The manufacturer has spoiled this cloth. 9. This causes us a great loss (or a great deal of harm). 10. We regret to tell you that this is not the line of business of our house. 11. We have made out the bills of lading in your name. 12. There is no doubt this quality will be very suitable for you. 13. They have agreed to make us an allowance of 1 per cent. 14. This question has not yet been decided. 15. How many pieces does each case hold. 16. How much do you charge me for this cloth ? 17. Much cotton is used in the making of the clothes. 18. Unless we receive advice from you, we will make you the shipment of these goods by the next steamer. 19. We have placed your order without loss of time. 20. He receives at least £500 a year. 21. We give you all the advantages we have secured. 22. Prices have risen enormously, on account of the war in the Balkans. 23. We do not wish to wait any longer for the delivery of these goods. 24. It is no use our saying much.

1. *El precio de los combustibles ha subido considerablemente.* 2. *El alza es debida á la guerra en el Oriente.* 3. *¿ Cree Vd. que es probable que los precios bajen ?* 4. *No ; temo que suban aún más.* 5. *¿ Conoce Vd. á esa firma ?* 6. *¿ Cuántas piezas cabían en el casco ?* 7. *Estos artículos están muy solicitados por ahora.* 8. *Su carta nos trajo un pedido, pero no estamos seguros si podemos colocarlo.* 9. *Todas las existencias están agotadas.* 10. *Avísenos si está Vd. de acuerdo.* 11. *¿ Aprueba Vd. la muestra que yo compré ?* 12. *Ante sus argumentos, debemos hacer la bonificación.* 13. *Antes que mande estos ejemplares del conocimiento de embarque, quisiera recibir sus noticias.* 14. *Todos los telares están llenos* (or *ocupados*) *y los fabricantes piden precios muy altos.* 15. *Tenemos el gusto de acusar recibo de su grata.* 16. *Sírvase cotizarnos su precio último de esta calidad.* 17. *No me gusta la fabricación de este mantel.* 18. *Le enviaremos á Vd. estas mercancías, á menos que recibamos otras instrucciones de Vd.* 19. *¿ Sabe Vd. si ha hecho esto de propósito ?* 20. *Le enviaré los ejemplares cuando obtenga los precios.* 21. *Pídale que pague la suma íntegra, de lo contrario le pondré demanda.* 22. *Esperamos que no dejen Vds. de enviarnos sus pedidos á vuelta de correo.* 23. *Recibimos el viernes una buena serie de las telas que están en el telar.*

LESSON XII.

PREPOSITIONS.—Por and Para, " for." As the English preposition " for " is rendered into Spanish by both *por* and *para*, the following distinctions will be useful to the student—

POR is used :

1. As " by, through, on account of, in consequence of, by means of," as : *por correo*, by post ; *por error*, through an error ; *por esto*, on account of this ; *por ellos*, by means of them.

2. In connection with exchange, prices, etc., as :

Le doy mi libro por su pluma.
I give you my book for your pen.
¿ Cuánto pide Vd. por . . . ?
How much do you ask for . . . ?

3. After the verbs *ir* and *venir*, when a noun follows, as : *ir por pan*, *venir por libros*, to go for bread, to come for books.

4. To express motive, reason, origin, as : *por soberbia*, *por envidia*, etc.

5. With thanks, as : *le doy las gracias por este pedido.*

6. Instead of *pues* or *como*, as :
Por no venir temprano, ha perdido Vd. la ocasión.
As you have not come early, you have missed the opportunity.

PARA is used—

1. To express destination, object, purpose, use, etc, as :
Esto es para Vd. This is for you.
Sale para París. He is leaving for Paris.

2. With the meaning of " in order to," " so that," OR " so as to," as :
Lo hago para ahorrar tiempo.
I do it (in order) to save time.

3. In comparisons, as :
Es muy alto para japonés.
He is very tall for a Japanese.

4. Sometimes when followed by a date OR time :
Lo dejo para mañana.
I leave it for to-morrow.

Para is also used with *con*, and these two prepositions together have the meaning of " towards," in a figurative sense, as :

Su conducta para con su padre.
His conduct to (towards) his father.

NOTE also:

Tengo para mí que es muy bueno.
I hold that (my opinion is that) it is very good.

IRREGULAR VERBS.

Ir, to go.

Pres. Indic.— *Voy, vas, va, vamos, vais, van.*
Imperf. —*Iba, ibas, iba, íbamos, ibais, iban.*
Past Def. —*Fuí, fuiste, fué, fuimos, fuisteis, fueron* (same as *Ser*).
Impera. — *Ve, vaya; vamos, id, vayan.*
Pres. Subj. — *Vaya, vayas,* etc.
Pres. Part. — *Yendo.*

Venir, to come.

Pres. Indic.— *Vengo, vienes, viene, venimos, venís, vienen.*
Past Def. — *Vine, viniste, vino, vinimos, vinisteis, vinieron.*
Fut. — *Vendré, vendrás, vendrá,* etc.
Cond. — *Vendría,* etc.
Impera. — *Ven, venga; vengamos, venid, vengan.*
Pres. Subj. — *Venga, vengas,* etc.
Pres. Part. — *Viniendo.*

VERBS which take the Preposition "*á*." When they come immediately before another verb in the Infinitive, the verbs *ir* and *venir* are followed by the preposition *á*, as also all verbs of motion, such as: *volver*, to return; *acudir*, to hasten; *apresurarse*, to hurry; verbs which mean "to commence" OR "to start," as *comenzar, empezar*, and *principiar;* and verbs of instruction, such as: *enseñar*, to teach; *aprender*, to learn; also verbs of compulsion, encouragement, etc., such as *obligar*, to oblige, to compel; *animar*, to encourage; *persuadir*, to persuade; *acostumbrar*, to accustom. Also: *decidirse*, to decide; *resolverse*, to resolve; *negarse*, to refuse; *atreverse*, to dare.

EXAMPLE: *Viene á decirme*, he comes to tell me.

Some verbs govern the Infinitive by the Preposition *de*, and others take no Preposition. Those which take *de* are—

acabar, to have just
dejar, to cease
alegrarse, to be glad
felicitarse or *congratularse*, to congratulate oneself
olvidarse, to forget
ocuparse de, to be occupied with

Below are appended a few verbs which govern the Infinitive without a Preposition—

desear, to desire
dejar, to allow
gustar, to like
oir, to hear
esperar, to hope
merecer, to deserve
querer, to wish
permitir, to permit
ofrecer, to offer
prometer, to promise
ver, to see
pensar, to think of, to intend

Some verbs take the Preposition *en*, and some take *por*, as—

esmerarse en, to pay attention to
dar en, to take to, to be given to
esforzarse por, to attempt to, to endeavour
ocuparse en, to be engaged in
pensar en, to think of (OR about)
luchar por, to struggle (OR to attempt) to

SUBJUNCTIVE.—The Subjunctive Mood is sometimes used after *como*, when in the past tense, as—

Como él no supiera donde estaba,
as he did not know where he was.

The following Subjunctive forms are used without any preceding verb—

Pudiera, I could;
Quisiera, I wish (OR I should like);
Hubiera, I had.

USE OF TENSES.—Past Definite, and Imperfect.

1. The Imperfect is used to represent a repeated or a habitual action, or to describe something which is going on at the time of the principal action.

EXAMPLES—

I used to go there every day: *iba allí todos los días.*

I spoke to him frequently about this: *le hablaba muchas veces en cuanto á esto.*

When I entered the room, he was writing a letter: *cuando yo entré en la sala, él escribía* (OR *estaba escribiendo*) *una carta.*

2. The Imperfect is always used for the Past Tense when it contains a Gerund, *e.g.*, he was speaking, we were expecting, I was reading, they were walking, etc., etc.; *él hablaba, nosotros esperábamos, yo leía, ellos andaban,* etc.

3. The Past Definite is used when the action is definite or occurs at a given time, as—

Ví á su amigo hace una semana,
I saw your friend a week ago.

Los géneros fueron embarcados por el vapor "Asiatic,"
The goods were shipped per ss. "Asiatic."

PRESENT TENSE.—The Spaniards use the Present Tense more than the English, it being frequently used where in English we use a present participle, and sometimes where we might use the Future.

EXAMPLES—

I am going to (change to: I go to) London: *Voy á Londres.*

When in English a Past Compound Tense is used, the Spaniards use the Present Indicative in cases where the action still continues, as—

I have been working here (and still am here) for five years:
Trabajo aquí desde hace cinco años.

These goods have been in our store some time: *Desde hace algún tiempo estos géneros están en nuestra bodega.*

PRESENT PARTICIPLE.—When the Present Participle follows a noun, it is usual in Spanish to change to the Present Indicative (OR Past Imperfect, if the time is past), with *que*, as—

The prices ruling :
Los precios que rigen (OR *que regían*, if past).
The firms buying the cloth :
Las casas que compran (OR *compren*, if used in reference to the future), *la tela.*

NOTE. In many cases, however, the Participle may be used, as—
Your letter containing . . . :
Su carta conteniendo . . .

VOCABULARY.

always, *siempre*
abroad, *en el extranjero*
the amount, *la cantidad*
on, upon, *sobre*
nobody, *nadie*
no doubt, *sin duda*
the rain, *la lluvia*
regarding, *respecto de*
the rough draft, *el borrador*
to claim, *reclamar*
to enclose, *incluir*
to call on, *pasar á*
to give room for, *dar lugar á*
to look at, *mirar*
the claim, *el reclamo*
the difference, *la diferencia*
fully, *bien ; por extenso*
the custom-house, *la aduana*
gratis, *de balde*
the fire, *el incendio*
badly, *mal*
equal, *igual*
the handkerchief, *el pañuelo*
the doubt, *la duda*
a lot, *mucho*
at the middle of, *á mediados de*
the stamp, *el sello*
the example, *el ejemplo*
still, *aun*
so, thus, *así*
the spool, *el carrete*
the sheeting, *la tela para sábanas*
the skein, *la madeja*
the storm, *la tormenta, el temporal*
subject to, *sujeto á*
then, *entonces, luego*
the treaty, *el trato*
the thread, *el hilo*
therefore, *por eso, pues*
twice, *dos veces*
well, *bien*
the way, *la manera, el modo*
the works, *la fábrica*
to break out, *declararse*
to be glad, *alegrarse*
to look (to seem), *parecer*
to prove, *probar,* (to turn out) *resultar*
to postpone, *aplazar, diferir*
to please, *agradar*
to remain, *quedar*
to be short, *faltar*
to stand, *soportar, sufrir, aguantar*
to treat about, *tratar de*
to take place, *tener lugar*
to use, *emplear, usar*

EXERCISE 23.

1. *Esperamos que les agrade esta calidad.* 2. *No es igual á la muestra.* 3. *¿ Cuándo esperan Vds hacer la entrega ?* 4. *Las ventas no le han producido* (brought) *mucha ganancia.* 5. *Estamos seguros de que Vd. no los enviará á tiempo* (in time). 6. *Su cablegrama nos llegó demasiado tarde.* 7. *No falten Vds. á su promesa.* 8. *Los gastos de embarque son muy subidos.* 9. *¿ Por qué han tardado Vds. tanto en hacer la entrega ?* 10. *¿ Cuánto cobran Vds. por el doblar* (folding) ? 11. *¿ Cuándo van Vds. á embarcar estos géneros ?* 12. *Esta tela nos hace mucha falta* (we are in much need of this cloth). 13. *No podemos aguantar tanta insolencia.* 14. *El estampador necesita* 20 *piezas por dibujo.* 15. *Esperamos la llegada de su viajante á mediados del mes de Junio.* 16. *Extrañamos no haber recibido el Warandol* (shirting). 17. *Esta madrugada* (early morning) *se declaró un violento incendio en una fábrica de tintorería* (dyeworks). 18. *Continúa en igual estado la huelga de aserradores mecánicos.* 19. *Por ejemplo : ¿ Qué tal le parece este color ?* 20. *El fabricante ha echado á perder la tela.*

EXERCISE 24.

1. How does your client like the finish ? 2. He does not like it at all. 3. What is the exact weight of the bale ? 4. Wool has risen in price during the last month. 5. A fire has broken out at the works. 6. We shall write you more fully next week. 7. Send me a rough draft of the document. 8. We are glad you have placed this order. 9. We wish the thread to be (to come) on spools. 10. This will give rise to a complaint. 11. We hope that this cloth will prove satisfactory. 12. We are in hopes (*abrigamos esperanzas*) of making the delivery about the middle of June. 13. How much did you pay for the silk goods (*sederías*) ? 14. It remains to be seen (*por ver*) whether he will give you these gratis. 15. Were you recompensed (*recompensado*) for the trouble which you have had ? 16. For (*para*) your guidance (*gobierno*) I may (*puedo*) say that the sheeting does not please me. 17. I am afraid that these goods will not stand the journey. 18. My opinion is (*tengo para mí*) that you have used the wrong cloth (*una tela por otra*). 19. We shall go into this matter carefully. 20. As this quality does not suit me, I refuse to accept it.

GENERAL.

Tenemos á la vista[1] *su atenta carta de fecha* 23 *del mes que acaba de terminar,*[2] *y nos es grato*[3] *dar á Vdes. nuestras gracias por la remisión*[4] *de algunas muestras de géneros que se han servido enviarnos y que quedamos*[5] *estudiando, y ojalá nos sea posible poderles*[6] *trasmitir algún encargo.*[7] *Aprovechamos*[8] *esta oportunidad para saludarles y felicitarles*[9] *con motivo del año próximo que se va á inaugurar,*[10] *siendo nuestro deseo que en el trascurso*[11] *de éste*[12] *tomen mayor incremento*[13] *las buenas relaciones que median*[14] *entre nuestras respectivas firmas.*

1 *á la vista,* before us ; 2 *del mes que acaba de terminar,* of the month just ended ; 3 *nos es grato,* we are pleased to ; 4 *la remisión,* the sending ; 5 *quedamos,* we are ; 6 *ojalá nos sea posible poderles,* we trust that we may be able ; 7 *algún encargo,* some (OR an) order ; 8 *aprovechamos,* we take (OR avail ourselves of) ; 9 *saludarles y felicitarles,* to send you our compliments and to express our best wishes ; 10 *que se va á inaugurar,* which is about to commence ; 11 *trascurso,* course ; 12 *éste,* this year ; 13 *tomen mayor incremento,* may be further increased ; 14 *que median,* existing.

ELEMENTARY ITALIAN

Continued from page 531

KEY TO EXERCISES IN PART 11 (p. 531).

I.—1. *Quando fa freddo, porto un soprabito.* 2 *Faceva bel tempo ieri ed ieri l'altro.* 3. *Che cosa facevano i commessi?* 4. *Facevano i conti.* 5. *Abbiamo fatto un viaggio.* 6. *Hanno fatto pubblicare un libro.* 7. *Faceva una passeggiata.* (N.B.—To avoid ambiguity *egli* may be inserted before the verb.)

II.—1. Will you let me know the price of this silk? 2. Make haste, please. 3. I should like to have my photograph taken. 4. What do the typists do? *or* What are the typists doing? 5. I hope that his journey has been a success. 6. Will you do me the favour of going to the Post Office? 7. Will you show me some strong walking shoes? 8. I have had a prescription made up by the chemist.

LESSON XII.

THE FUTURE TENSE.—This tense is very simple, being formed from the Infinitive by cutting off the final *e* and adding the endings *ò, ai, à, emo, ete, anno.* The only important point to be remembered is that the *a* of the first conjugation is changed into *e*.

Comprar|e.	**Vender|e.**	**Servir|e.**
comprerò, I shall buy	*venderò*, I shall sell	*servirò*, I shall serve
comprerai	*venderai*	*servirai*
comprerà	*venderà*	*servirà*
compreremo	*venderemo*	*serviremo*
comprerete	*venderete*	*servirete*
compreranno	*venderanno*	*serviranno*

The future of *fare* is regular, viz., *farò* (I shall make *or* do), *farai, farà, faremo, farete, faranno.*

The verb *stare* is also regular in the future: *starò* (I shall be), *starai, starà, staremo, starete, staranno.*

The auxiliary *avere* drops the *e* preceding the Infinitive ending, and *essere* has quite an irregular future—

Avere.		**Essere.**	
avrò (I shall have)	*avremo*	*sarò* (I shall be)	*saremo*
avrai	*avrete*	*sarai*	*sarete*
avrà	*avranno*	*sarà*	*saranno*

PERSONAL PRONOUNS (*I Pronomi Personali*).—The Personal Pronouns commonly used as subjects of sentences are (as already given) *io*, I; *tu*, thou; *egli*, he, it; *ella* or *essa*, she, it; *noi*, we; *voi*, you; *essi* (m.), *esse* (f.), they. Pronouns which are the direct or indirect objects of verbs generally precede the latter, as in French. In the first and second persons singular and plural there is only one form for both accusative and dative, viz., *mi*, me, to me; *ti*, thee, to thee; *ci* (or *ne*), us, to us; *vi*, you, to you. The third person, however, differs according to gender, number, and case, viz., *lo*, him; *gli*, to him; *la*, her; *le*, to her, *li* (m.), them; *le* (f.), them; *loro*, to them (follows verb).

The reflective pronouns are the same as the above for the first and second persons, and in the third person the pronoun *si* is used for both genders and numbers. It may thus mean *himself, herself, itself, themselves*, either in the accusative or dative case, according to the context.

EXAMPLES.

"Vedere," to see (irreg.).

PRES. PART.: *vedendo*, seeing
PAST PART.: *veduto* or *visto*, seen

Io ti vedo, I see thee
tu mi vedi, thou seest me
egli la vede, he sees her
essa lo vede, she sees him
noi vi vediamo, we see you
voi ci vedete, you see us
essi le vedono, they (*m.*) see them (*f.*)
esse li vedono, they (*f.*) see them (*m.*)

"Dare," to give (irreg.).

PRES. PART.: *dando*, giving
PAST PART.: *dato*, given

Io ti do, I give (to) thee
tu mi dai, thou givest (to) me
egli le dà, he gives (to) her
essa gli dà, she gives (to) him
noi vi diamo, we give (to) you
voi ci date, you give (to) us
essi danno (*a*) *loro*, they (m.) give (to) them
esse danno (*a*) *loro*, they (*f.*) give (to) them

N.B.—The negative precedes the pronoun, e.g. *egli non mi vede*, he does not see me.

EXERCISES.

mandare, to send
il consiglio, the (piece of advice)
a buon mercato, cheap
stanco, tired
trovare, to find

I.—1. I will send you the money (*il danaro*). 2. We will give him a piece of good advice. 3. Have you seen those goods? 4. Yes, but I shall not buy them yet (*ancora*). 5. They will sell them cheap to-morrow. 6. He will send me the account next week. 7. We shall be tired this evening. 8. They will not serve us to-day.

II.—1. *Farò il possibile per venire da lei mercoledì.* 2. *L'uomo troverà qualche cosa da fare.* 3. *Faremo tutto il possibile per soddisfare i nostri clienti* (customers). 4. *Gli darò una lettera di credito.* 5. *Non lo vedrò dopodomani.* 6. *Ci manderanno le merci lunedì prossimo.* 7. *Egli mi dà un buon consiglio.* 8. *Ecco i conti: li manderò al mio cliente stasera.*

ADVERTISING

Continued from page 535

LESSON VII.

POSTERS.—Advertising by means of posters involves considerations widely different from those of newspaper publicity. So much so is this, that those who are most successful in handling the one kind of printed salesmanship often fail at the other. It is commonly said that billposting is of little use in introducing a new article, because a new article needs argument persuasively applied, and arguments, in words at least, cannot be effectively displayed on the hoardings. Certain it is that experience proves that the hoardings are most suitable for "reminder" advertising, as it is called (i.e. advertising of an article of established reputation), when it is only necessary to keep the name before the public in order to secure and maintain a steady stream of sales.

It is true that Messrs. Lever Bros.' Sunlight Soap was first advertised on the hoardings exclusively, and this preliminary advertising was done so skilfully that a very small sum of money, mentioned by Sir William Lever as being £50 for the first year, secured an abnormally large amount of publicity. But this was undoubtedly merely publicity without corresponding sales, and the early abandonment of the exclusive use of the billboards for selling Sunlight Soap shows that at the very least the hoardings need the reinforcement of the Press.

One of the essential elements of a successful poster is that it should be so designed as to be seen at a glance. The whole message should penetrate into the dullest mind in five or ten seconds; and indeed, as the study of experimental psychology shows, if an impression cannot be made upon a mind in such a short space of time, either the material is not a sort that can make any proper impression at all, or else the mind is of a character that cannot receive or retain any impression worth receiving. This happy quality of instantaneous appeal can be secured and achieved by using as few words as possible and by eliminating from the picture every detail that is not absolutely necessary. When a quantity of detail is necessary, as, for instance, in a poster advertising preserves, then such detail as is used must be so subordinated that it does not obscure the clearness of the design.

Another desirable quality of a good poster is that it should "carry" well (i.e. that it should tell its story or at least a definite part of its story at a distance). This effect is generally most easily achieved by the use of what artists call "simple massing," that is to say, the picture should be so designed that it does not naturally or visually divide itself into more than five parts, and each of these parts should be so treated as to be distinct in colour, form, shape, tone, and texture.

Posters need to be adapted to the season. There are very few posters that appeal with equal force to the attention in summer and winter; but seeing that very few propositions are of an all-the-year-round character, the struggle of the poster artist to produce a design that will look equally well under the blazing sun of July or through the fogs of February need not worry the young poster artist. Successful posters are nearly always the work of experienced artists; and the beginner, and especially the amateur craftsman, cannot possibly hope to compete with established men in a somewhat limited market.

The best summer effects are full of contrast, while a winter poster scheme calls for extra vivid colouring. Much is already known about the relative intensity to the eye of the various lithographic inks with which posters are printed. Summing up some recent experiments, we may say that the strongest and most vivid schemes involve the use of red, black, and yellow. As to lettering, the most visible of all in almost any degree of light is that drawn in black on white, but a very dark blue or dark green on any light tinted background has for most purposes sufficient visibility. Lettering of mixed colours, as, for instance, in the use of red initials, is not effective because nearly all red lithographic inks fade very rapidly, and thus, to the eye, leave the reading matter mutilated.

Young poster artists should beware of using up the whole palette of their colour boxes. They should remember that the pigments in the tubes they use are seldom to be matched by the lithographer. Hence the colour effect of poster schemes cannot be kept delicate, and should be strong always on the crude side. Another useful hint is to place the chief subject of the poster well towards, but, of course, not exactly in, the centre of the space, with a certain amount of relative greyness all round it. This or some other device of artistic composition helps to make the poster stand out in the very mixed colour company of the ordinary billposting "station." All this, of course, is given by way of hint, and it is not offered as a recipe and not at all as a cast-iron principle of poster design. Nothing is more certain in the whole art of advertising than that the future will evolve entirely new methods of solving advertising problems; and, indeed, there are on the hoardings to-day posters which indubitably sell goods, but violate all the recognised rules of art and nearly every rule of advertising.

COMMERCIAL TRAVELLING

Continued from page 448

LESSON VIII.

THE HOPELESSLY WRONG HOUSE.—It is impossible here to describe the various kinds of faults that make a firm come under this heading. In the majority of cases, these firms will not continue in trade long. Firms fall into incompetent hands and become badly managed. Firms spring up through the ambition of inexperienced men; and though their existence may be short, it may be mischievous. Firms develop faults that the traveller near home can correct, but that the traveller at a distance is unable to remedy.

Here are some samples of the various kinds of wrong—hopelessly wrong—firms that a man may find himself representing—

There is the silent or snubbing firm that never answers a letter; there is the unpunctual firm that delivers the goods the day after the fair; there is the careless firm that sends Smith's goods to Jones and then tries to pacify him by sending him Robinson's as well, charging the unlucky Brown for the lot; there is the dishonest firm that cheats.

Poor traveller! That last firm is the worst of all, for its cheating may damage his name as well as its own.

When a man is working for the wrong firm or on impossible terms, he will generally find that nearly all his work and effort will be spoilt. There is nothing perfect in this world, but it is his duty to try to avoid these kinds of imperfection as far as he possibly can.

THE TRAVELLER ON THE WRONG TERMS.—The traveller goes out to do business, not to work miracles. He is brave when he attempts to do difficult things; he is only foolish when he attempts to do the impossible. Starting business on the wrong terms is asking for trouble, and on the road trouble generally comes without much invitation.

Under this heading we need not consider the men who, paid expenses and salary, have put too modest a value on their worth, and have contracted to do work for £3 a week that turns out to be excellent value for three times the money. Salaries are easily adjusted, and a man can generally get his value fairly soon after he has learned to know it.

The impossible terms that ruin or destroy a traveller are rarely those in which he is paid a regular salary and all out-of-pocket expenses. It is the men who work on commission and who are paid by results who are likely to make a disastrous bargain.

PAYMENT ON COMMISSION.—The commission method of payment is still a favourite one in some lines, and there have been a good many men who have done well out of it. But the unfortunate thing about the system is that it gets a better advertisement than it deserves.

Now, the firms that offer commission are of two classes: There is one that includes a certain number of vigorous, energetic businesslike houses out to do heavy trade. These houses want men of large ideas to represent them, and don't mind their drawing substantial profits. But there is also another class, consisting of a very great number of firms such as we considered in the last lesson, who have only a paltry thing to offer at best, and who pay on commission because they know their trade would never stand salaries and expenses. The would-be commission man, hearing what profits men have made in this system (alas! we always hear of men's successes; their failures are hidden), jumps at any offer that appears to promise similar results.

Let us take an example—

Rufus Wilkins had £50 saved. He was offered an agency by a firm, of whose standing and reputation he knew nothing, to sell goods on commission, payable on collection. Journeys were to be taken every two months and a considerable area of ground was to be covered, involving a weekly outlay of about £3 or £4 in travelling expenses. Mr. Wilkins took up the agency. He spent £40 before his first commission cheque was due, and then found that there was considerable difficulty in getting it. The firm appeared to resent his reminders, and became angry when he deducted the amount from his collection, threatening, on a repetition of "the offence," to close the agency. But as they never remitted, Wilkins had to dare their vengeance a second time, being careless about everything but getting his money. The threat was repeated, but this was not the worst. Wilkins had lost his confidence, and could do no business. Even presuming he were to get his commission without trouble, he would need to spend it all in collecting it. So, at the end of four months, the business stopped. Wilkins had no more money to spend.

* * * *

Commission methods by all means between businesslike houses and strong experienced travellers; but let the beginner, the poor man, and the traveller for an unknown house insist on getting enough money every week to bear his expenses and to leave something for himself.

SALESMANSHIP

Continued from page 536

LESSON IX.

DON'T DECEIVE YOUR CUSTOMER.—The most expensive act in business is deceiving a customer. Apart from any other argument, sharp practice does not pay. Great numbers of people have tried it, and most of them are out of trade.

It has already been pointed out that, in business, very rarely can a sale stand by itself as a single deal.

The man who sells a knitted coat to a customer is aided in the sale by the number of years the business has been open, its reputation, its good record, its advertisements, and all the history of its past.

DECEIT RESULTS IN LOSS OF CUSTOM.—If the salesman says: "This is all wool," knowing that it is not all wool, he may make a profitable sale. But, as likely as not, in that sale he has got all the profit he is ever going to get from that customer. He has deceived the buyer. But, worse than this, that customer will be an advertisement against him for many a long day. Even when the coat has been given to a poor relation, the buyer will be ready to advise: "Not in that shop, my dear. They sell *such* rubbish."

But supposing the salesman answers: "No, not *all* wool. It is fair value as far as we know, but it is not all wool." He may sell something at a better price, or he may even sell that coat. Many people will buy a cheap and nasty thing and expect it to behave in a cheap and nasty manner, and will bear no malice at the end. But they will not stand being deceived.

UNINTENTIONAL DECEIT.—A great deal of the deception of customers that causes complaints and that injures business is entirely unintentional. Often it arises from too sanguine a nature.

"We shall have them in on Saturday," says the assistant. In the back of his mind there is a knowledge, based on experience, that the goods *may not* be in till Monday.

So there is the fruitless journey on Saturday, disappointment, irritation, and possibly a customer permanently lost. Were the reply, "We *may* have them on Saturday, but cannot definitely promise them," the business might be carried elsewhere, but equally some other articles might be purchased instead. At all events, there would be no irritation

DECEITFUL EMPLOYERS.—There are circumstances under which the salesman may feel that he is unable to help himself when he deceives a customer. He may be carrying out the instruction of his employers. In spite of all opinions to the contrary, business in this country is becoming increasingly honest, and employers are becoming increasingly careful to avoid misrepresentation and sharp practice. Yet there are still a good many men in trade who are dishonest and unfair in their dealings, and these men expect their employees to assist them in their unjust methods.

The case of a salesman working for such an employer is a difficult one. He should be very sure before he acts; many things in modern day commerce have a very different look when regarded by an experienced business man from what they appear to be to one who is inexperienced. Some narrow-minded and impossible people regard it as almost wrong to take a living profit.

But supposing the case is not an uncertain one, and the salesman knows that he is working for a dishonest man, and is expected to endorse and assist the dishonesty. Then the case becomes simple. Whatever it costs him, he should leave such employ at once. There are plenty of people nowadays who trade fairly, and there are plenty of occupations in which a man need not sell his soul to buy bread.

But let the employee be certain, and let him try and see things as they should be seen.

Here is a case: A grocer's assistant went to his employer. He had something on his mind. "I can't go on with this," he said; "you don't sell fairly. Your profits are not added in a just manner."

The grocer wanted specific cases. "Your 2s. tea costs you 1s. 9d.; that is all right, I think. Threepence a pound is a fair profit. But your 2s. 9d. tea costs you only 1s. 11d.; that is 10d. profit. Now, that can't be right. Either 3d. is too little, or 10d. is too much."

"Stop!" said the grocer, "Let me state the case. There are two teas requiring two spaces in my shop. Each has to be looked after and watched. Each has to be bought. One takes as much of my attention as the other. Yet I sell fifty times as much of the cheap tea as I do of the dear. That means that while I am making a gross profit of 10d. in the article where you think I am overcharging, I am making 12s. 6d. in the article where I charge the right price. Threepence pays me handsomely for the line with a good swift sale. I am forced to keep the other tea to satisfy a few cranks; but, even at 10d. profit, it doesn't pay me."

So there are often two sides to a question. It is not here contended that the grocer was right, or that his method of adding profits was the most approved, but he certainly was not (as his assistant suspected him to be) dishonest.

PRIVATE SECRETARIAL WORK

Continued from page 486

IV.

Typewriting, usually bracketed with shorthand, is not, in private secretarial work, of greater value than handwriting, though more expeditious. The would-be secretarial worker, however, must be able to operate efficiently at least one of the standard machines, which include the Bar-Lock, Oliver, Remington, Underwood, and Yost. Having mastered any one of these makes, it will be an easy matter to understand all others on the market. With access to a good typewriter, and a careful study of the lessons on typewriting set out in the pages of the present work, it is possible to acquire a sound theoretical and practical grasp of the subject : and should the secretarial worker be called upon at any time to use an unfamiliar make of machine, it would be advisable to at once obtain from the makers a book of instructions, in order to become acquainted with the differences of mechanism, etc. The student will also have learnt how to do minor repairs ; to change the ribbon or inking pad ; to adjust the tabulator ; to clean the machine ; and to oil it sufficiently to keep it in the good working order that is so imperative, if dexterity and excellence are to be maintained.

It is well to remember, however, that it is possible the chosen methods of arranging correspondence or documents in the lessons given may not meet the approval of an employer. Indeed, as a rule, the people who employ secretaries are those who either know how affairs secretarial should be managed, or who have their own ideas on the subject—which comes to the same thing in the end ; and the ideal secretary, subservient always to the wishes of the chief, sinks personal opinions in order to fulfil the demands of duty, bearing in mind that the future may hold the possibility of introducing newer or easier methods of work after he, or she, by constant endeavour has satisfied the employer of the sole desire to achieve the best results only. It is usually in small matters that the differences of opinion arise. Some employers, for example, disapprove of the addressee's full address appearing on the letter itself. To others this may not be objectionable, though there may be a preference for its insertion at the top or the bottom of the page. It may be said, in passing, that, unless a wish is expressed to the contrary, filing and indexing is greatly facilitated if the address is inserted—even in the case of personal letters in which the addressee's name is included in the salutation, the full name and address then appearing at the foot of the letter. Employers are sometimes inconsistent in the matter of the keeping of copies of outgoing letters, and it is often difficult for the secretary to distinguish between what is and what is not of sufficient importance to necessitate a copy being kept. Storing space is mainly the sole excuse for such inconsistency; to a great extent this may be overcome by using the back of the letter received as the sheet for the carbon copy, letterpress copying with book and brush being now almost obsolete in private work, and one file may then be used for both inward and outward correspondence. In the case of new correspondence, the shorthand original should be filed, an easy enough matter if loose-leaf note-books are used ; or the note-book itself may serve as a supplementary file if it is regularly dated and the addressees' names properly inserted. Where this method is adopted, legible shorthand must be the rule, in order that upon reference the notes may be re-read with facility.

Again, unless definite instructions are given as to the wording or arranging of typewritten documents such as agreements, leases, covenants, contracts, inventories, and so forth, it is well to adopt the methods inculcated in the typewriting lessons. There may even be prejudices in the matter of line spacing, against all the canons of good typewriting. A literary man or woman may have a preference for double, instead of single, spacing for poetry, or may insist upon a treble space for literary matter ; some express a wish that each chapter shall begin at the top of the page, others half-way down ; and there are those whose habit is to have the last word on a page dropped below the line and repeated on the next page.

At least one carbon copy is always made of all literary and Press matter, as a safeguard against loss of, or accident to, an original, the habit of most writers of freely revising original work rendering it unsafe to rely upon shorthand notes only for a duplicate.

Though correspondence may be dictated, the secretary is usually left to set it out according to individual ideas, and attention to details makes all the difference between slovenly and well-executed work. A letter with a left-hand margin, say, of 1½ in., each line finishing at about half-an inch from the right-hand side of the paper ; few, if any, broken words ; the paragraphs properly arranged, each beginning at the same point and properly punctuated ; and the finished work having the appearance of a well-rolled lawn, is more likely to impress the reader than one with which no pains have been taken.

Photo by Chas. J. L. Clarke.

SHAVING MACHINES AS USED IN LEATHER TRADE

BUSINESS QUALITIES

Continued from page 537

OBSERVATION

The late Sir William Preece, in giving some advice on the course of education best suited to a youth who wished to become an engineer, said: "Every successful man has succeeded from teaching himself by observation, thought, and judgment." This distinguished engineer rightly placed observation first, for that is the position it occupies in the mental processes. We first observe, then reflect, and finally come to some conclusion or judgment on what we have seen.

The young should be taught early to exercise this faculty of observation, for it is undoubtedly a gift which results from education and training. Unfortunately, in the majority of cases, they are not taught how to teach themselves; their eyes are active, but the brain is not looking through these windows of the intellect. Thus men grow up with the mind so untrained that the mental image of anything they have seen is utterly unreliable. How often do we see this exemplified by those who are put into the witness box to give evidence on something they have seen? A few questions from an expert cross-examiner shows that their recollection is confused, and they soon contradict themselves. The reason is that they have not had any standard or classification by which to compare and associate what they have seen, and they have probably made no deduction.

Now, observation is essentially impression plus deduction. In every observation—if we are to make practical use of it—there must be a deduction, a judgment, and a classification. Of course, we do not say that everything one sees should be analysed in this way, for many scenes and objects are trivial, and not worth remembering. The important thing is that there should be interest. If we observe something that interests us, we pay attention, reflect on what we have seen, and then make some deduction from it. Whether we retain and make practical use of the impression depends a good deal on the character of the observer.

Sir Isaac Newton saw an apple fall to the ground, and the average man would have thought no more about such a simple occurrence, but the philosopher pondered over it and deduced therefrom the law of gravitation. Many other instances might be given of great discoveries and important inventions, made as a result of some simple observation, and these cases show the value of exercising the senses and the mind so as to comprehend logically what is going on around us.

There is a harvest of knowledge in all that we see, and it is obvious that men who observe and reflect must be the better informed. It has been said that the future business man will be a combination of the scholar and the idealist. This does not mean that businesses will be run by dreamy theorists, but rather, by men of trained intellects, who have a high conception of future possibilities. We certainly see that, in the majority of businesses, the perceptive, rather than the reflective faculties are of most service.

Observation, exercised by careful, thoughtful men, is based upon the garner of years of experience and wisdom. To a successful man, no kind of business information comes amiss. Everything he sees may have a direct bearing on his work, if he employs the method of reflective observation. The trained mind that can observe, compare, and deduce, is of the utmost value in business, and will win everywhere. It stamps the man as an expert.

The so-called "practical" man, who may have had little education, often owes his success to being an excellent observer. Such men are said to have common sense, and this is gained by close observation which stores the mind with a stock of useful knowledge that can be rapidly applied when opportunity occurs. We all recognise the value of a trained eye, or a trained ear, and these gifts are simply the result of observation which has recognised, compared, analysed and classified differences and agreements in sights and sounds.

The habit of accurate observation can be cultivated, just as physical skill may be gained; it is simply a matter of constant practice on correct lines. It has been suggested that the use of pen and pencil in recording observations is an excellent means of training oneself, but we think a far better method is to train the memory to recall, as exactly as possible, what one has observed. If there is no interest, there is no attention, and as a result, there is no memory. The attention must be concentrated on what we observe, if we wish to retain the impressions, for only a small part of what falls on our senses is actually perceived. It is only by dwelling upon what we have seen that we can hope accurately to retain it and make useful deductions from it.

The man who would reason well must observe well, for reason is useless without observation to supply the facts upon which the reasoning is to be based, and even facts are useless without reasoning upon them to investigate and explain their nature.

COMMERCIAL ENGLISH

Continued from page 540

KEY TO EXERCISE IN LESSON XII (p. 540).

1. **Style** in business correspondence depends mainly upon clearness and brevity.

Clearness is obtained by grammatical accuracy, careful construction and arrangement of sentences and clauses, and judicious choice of words. Brevity does not depend merely upon fewness of words, nor should it be obtained by the omission of words necessary for the correct construction of sentences. If the various forms of redundancy and diffuseness of matter are avoided, a business letter will be sufficiently brief.

2. The chief rules for the construction of sentences in a business letter are—

(1) Avoid long and involved sentences.
(2) Confine each sentence to one main idea.
(3) Place subordinate clauses as close as possible to the words to which they refer.

3. The first requirement of a business document is clearness of meaning.

4. In the attainment of brevity in commercial correspondence care should be taken to avoid ambiguity of meaning. Clearness should never be sacrificed to brevity. Brevity should not be obtained by the use of improper ellipsis, i.e. by the omission of words necessary for the construction of sentences.

5. A paragraph is a group of sentences dealing with one main idea.

A business letter should be paragraphed in order that the attention of the reader may be concentrated upon only one important point at one time.

6. (*a*) **The Complimentary Close.**

I remain, gentlemen,
Your obedient servant,

(*b*) **The Salutation.**

My Dear Sir,

(*c*) **The Heading.**

46, *Mountfort Road,*
London, E.C.,
16*th March*, 1922.

(*d*) **The Inside Address.**

Messrs. Jones and Brown,
18, *Castle Street, Liverpool.*

LESSON XIII.

LETTER WRITING (*continued*).—When you open a correspondence, get to the point at once. If possible, bring the main object of the letter into the first sentence, and avoid unnecessary introductions and circumlocutions. Above all, let your opening sentence be a short one. Very long sentences should not be used in any part of a business letter; at the commencement they are specially to be avoided.

In Example (3), given in Lesson XII, the opening sentence might have been constructed thus—

In reply to your communications of the 5th and 8th inst. calling my attention to the arrangements for loading and unloading wagons in City Road, I beg to say that . . . .

The sentence would then have continued until you had finished the first part, at least, of what you had to say in reply. In the example given, the first sentence is confined to the acknowledgment; the reply is begun in a separate sentence.

Diffuseness of matter must be avoided in all business communications. Economy of expression should be aimed at. Forms of expression, which, in other compositions, might be considered good literary style, would be quite out of place in a business letter. Clearness, brevity, and perfect grammar having been attained, the ornaments of literary style may be neglected; nay, more, they should be avoided.

We give here an example of diffuseness and unnecessary detail. It is a letter asking for information respecting the character of an applicant for a situation.

16 *Westminster St.,*
London, W.
8th June, 19...

Mr. Thomas Smith,
7 James St., Crewe.

Dear Sir,

A few weeks ago we were unfortunate enough to lose by death, after a long illness, a very old and valued servant who had acted as foreign correspondent for us during the past ten years. We are sure that a gentleman of your long business experience will easily understand the serious inconvenience to which we have been put by our loss. There may, of course, be other correspondence clerks who possess qualifications equal to those of Mr. Vickers, our lamented servant; but no one, however well qualified he may be, will be able to serve us so satisfactorily as Mr. Vickers until he has had a very long experience of the peculiar requirements of our foreign trade. However, after some thought on the matter, we came to the conclusion that the vacancy must be filled, and we inserted an advertisement in the "Daily Mercury" and the "Observer" in the hope of attracting a good class of applicant.

You would be astonished if we placed before you the mass of letters we received within two days in reply to our advertisement. We had no idea that there were so many well-qualified men in search of employment. When we had waded through the mass of correspondence we were quite confused, and had great difficulty in selecting from so many good men two or three who, we thought, might be suitable.

At last we settled on three; and now we come to the real reason for our troubling you with this letter. One of the three gentlemen, a Mr. William Nelson, has informed us that for the past three years he has acted as foreign correspondent in your Bradford house, and he has further informed us that you are aware of his application to us, and, further, that you are willing to give any information respecting his character and abilities. You will be conferring a great benefit on us by doing so. Will you kindly let us know your candid opinion of Mr. Nelson? To assist you in forming your opinion, we must mention that we require a man who has had considerable experience in dealing with correspondence in German, Spanish, and Italian. Has Mr. Nelson had this experience? Is he, in addition, a man on whose integrity we can confidently rely?

Of course, we need hardly assure you that anything you may say in reply to our inquiry we shall treat as private and confidential, whether we engage Mr. Nelson or not.

We apologise for troubling you in this way; but, as the matter is of great importance to us, we feel sure you will excuse us.

Yours faithfully,

We can almost hear your sigh of relief.

Now, what is wrong with this letter? It is clear. The separate sentences are, in the main, well constructed. The grammar is good and the diction is not extraordinary.

The letter is not businesslike. It obscures the main point in a cloud of diffuse and unnecessary detail, and we fear that Mr. Thomas Smith would have dropped the thing into the W.P.B. long before he knew what his prosy correspondent wanted.

Compare this long-winded effusion with the compact, businesslike communication which follows—

16 *Westminster St.,*
London, W.
8th June, 19...

Mr. Thomas Smith,
7 *James St., Crewe.*

Dear Sir,

Mr. William Nelson, who is an applicant for the position of foreign correspondent with our firm, has referred us to you for information respecting his character and qualifications.

We shall be greatly obliged, therefore, if you will kindly inform us whether or not you consider Mr. Nelson a suitable man for the post.

It is essential that the person appointed shall have had considerable experience in dealing with correspondence in German, Spanish, and Italian, and shall, in addition, be a man on whose integrity we can rely.

Any information with which you may furnish us shall be treated as strictly private and confidential.

Trusting that we shall hear from you at an early date,

We are, dear Sir,
Yours faithfully,

We repeat: Stick to the point! You may stick to the point and be brief without being blunt.

In a letter asking a favour it is particularly necessary that the language shall be courteous, and in a letter making a complaint it is possible to be emphatic and straightforward without being blunt and offensive. Let your mailed fist, whenever you have occasion to use it, be covered with the velvet glove.

Compare the two letters which we give here.

I.

5 *City Road,*
Manchester.
8th June, 19...

Messrs. Broad & Co.,
15 *City Rd., Manchester.*

Gentlemen,

I regret that I am obliged to call your attention to the serious inconvenience which I am being caused by the arrangements for loading and unloading wagons at your premises in City Road.

For several hours daily during the last three days, a line of vehicles has been drawn up before the front entrance to my warehouse.

You will easily understand that serious obstruction has been caused, and that considerable annoyance has been experienced by persons entering and leaving my premises.

I feel sure that, now your attention has been drawn to the matter, you will at once take steps to remove the annoyance.

I remain, gentlemen,
Yours faithfully,
William Moult.

II.

5 *City Rd.,*
Manchester.
8th June, 19...

Messrs. Broad & Co.,
15 *City Rd., Manchester.*

Gentlemen,

When are you going to stop annoying me and my customers by loading your wagons in front of my warehouse? If you don't stop it at once, I shall take steps to make you.

Yours,
William Moult.

When Broad & Co. received Letter II. they would probably say: "Oh, indeed! Let him take steps." Of course, if Letter I. did not produce the desired effect, it could be followed by a second letter in stronger terms. Although stronger, this letter need be no less courteous. A business man should not forget that he is a gentleman.

Here is an example of a second letter in stronger terms—

5 City Rd.,
Manchester.
12th June, 19...

Messrs. Broad & Co.,
15 City Rd., Manchester.

Gentlemen,

On the 8th inst. I wrote to call your attention to the serious annoyance to which I am being subjected by your arrangements for loading and unloading wagons.

As I have not heard from you on the subject, and as the obstruction is still going on, I beg to inform you that I have decided to put the matter into the hands of my solicitor.

I remain, gentlemen,
Yours faithfully,
William Moult.

GRAMMAR NOTES.—Comparison of Adverbs. In an early lesson we dealt with the comparison of adjectives, and no doubt you remember that the three degrees of comparison are: POSITIVE, COMPARATIVE, SUPERLATIVE.

Adverbs form their degrees of comparison in the same way as adjectives; but, as there are few adverbs of one syllable, the use of *-er* and *-est* for the comparative and superlative is not common.

You must carefully distinguish between certain adjectives of quality and the corresponding adverbs of manner.

The following table gives the most important—

ADJECTIVES:

POS.	COMP.	SUPER.
easy	*easier*	*easiest*
quick	*quicker*	*quickest*
slow	*slower*	*slowest*
happy	*happier*	*happiest*
pretty	*prettier*	*prettiest*
bright	*brighter*	*brightest*
nice	*nicer*	*nicest*
sharp	*sharper*	*sharpest*

ADVERBS:

POS.	COMP.	SUPER.
easily	*more easily*	*most easily*
quickly	,, *quickly*	,, *quickly*
slowly	,, *slowly*	,, *slowly*
happily	,, *happily*	,, *happily*
prettily	,, *prettily*	,, *prettily*
brightly	,, *brightly*	,, *brightly*
nicely	,, *nicely*	,, *nicely*
sharply	,, *sharply*	,, *sharply*

Remember that adjectives are attached to nouns and pronouns; adverbs are attached to verbs. You may say—

This light is brighter than that,

but not—

This light shines brighter than that.

In the first case, *brighter* is an adjective attached to the noun *light*. In the second case, *brighter* is used as an adverb to tell how the light shines. You must say—

This light shines more brightly than that.

For the same reasons you must say—

This work is easier than that.
He performs his work more easily than I.
He is a slower man than John.
He works more slowly than John.

Prepositions. Here is another list of words that require particular prepositions—

adapted *to* (a thing)	concur *in* (an opinion)
,, *for* (a purpose)	,, *with* (a person)
agree *to* (terms)	convenient *for* (a purpose)
,, *with* (persons)	,, *to* (persons)
angry *at* (a thing)	correspond *to* (a thing)
,, *with* (a person)	,, *with* (a person)
attend *to* (a thing)	reconcile *to* (a person)
,, *upon* (a person)	,, *with* (statements)
call *for* (thing or person)	tired *of* (a thing)
,, *on* (a person)	,, *with* (an action)

EXERCISES.

1. Give the most important rules as to the sequence of tenses.

2. Correct the following examples of wrong sequence—

(*a*) He approached the stranger and offers to conduct him to the house.

(*b*) So that I might become proficient, I practise shorthand for two hours each day.

(*c*) In order that I may know exactly what to do, I inquired of the chief official.

3. State the rules that must be observed when you—

(*a*) Reply to a letter.
(*b*) Continue a correspondence.
(*c*) Write a letter of complaint.

4. Give examples of the opening sentences under (*a*), (*b*), (*c*) in Question 3.

5. Correct the following sentences—

(*a*) Who do you think I saw yesterday?

(*b*) Each of you in their turn will enjoy the benefits to which they are entitled.

(*c*) Let each attend to their own shortcomings before worrying about other people's.

(*d*) My cousin, whom we thought had been taken prisoner, is now at home.

(*e*) In thirty-seven wrecks only five lives were fortunately lost.

BOOK-KEEPING

Continued from page 544

LESSON XIII.

WORKING OF THE EXAMPLE (*continued*).— The remainder of the working of the example, the first part of which appeared in Lesson XII, is as follows—

6. *Dr.* W. BOLTON. *Cr.*

19..		S.D.B.	£	s.	d.	19..		C.B.	£	s.	d.
Jan. 8	To Goods ..	1	280	0	0	Jan. 17	By Cash	1	265	0	0
						,, ,,	,, Discount ..	,,	15	0	0
			£280	0	0				£280	0	0

7. *Dr.* R. BURTON. *Cr.*

19..		S.D.B.	£	s.	d.	19..		R.B.	£	s.	d.
Jan. 12	To Goods ..	1	140	0	0	Jan. 20	By Returns ..	1	30	0	0
								C.B.			
						,, 22	,, Cash	1	100	0	0
						,, ,,	,, Discount ..	,,	10	0	0
			£140	0	0				£140	0	0
		S.D.B.									
Jan. 18	To Goods.. ..	1	90	0	0						

8. *Dr.* W. SMALL. *Cr.*

19..		S.D.B.	£	s.	d.	19..		C.B.	£	s.	d.
Jan. 12	To Goods	1	30	0	0	Jan. 21	By Cash	1	65	0	0
		S.D.B.				,, ,,	,, Discount ..	,,	5	0	0
,, 18	,, Do.	1	40	0	0						
			£70	0	0				£70	0	0

9. *Dr.* R. TURNER. *Cr.*

19..		S.D.B.	£	s.	d.	19..		R.B.	£	s.	d.
Jan. 12	To Goods	1	90	0	0	Jan. 20	By Returns ..	1	10	0	0
		S.D.B.						C.B.			
,, 18	,, Do.	1	120	0	0	,, 21	,, Cash	1	185	0	0
						,, ,,	,, Discount ..	,,	15	0	0
			£210	0	0				£210	0	0

10. *Dr.* L. PEARSON. *Cr.*

19..		S.D.B.	£	s.	d.
Jan. 27	To Goods	1	135	0	0

100. *Dr.* T. JONES & CO. *Cr.*

19..		C.B.	£	s.	d.	19..			£	s.	d.
Jan. 4	To Cash	1	95	0	0	Jan. 2	By Goods ..	1	95	0	0

101. *Dr.* A. BARLOW & CO. *Cr.*

19..		C.B.	£	s.	d.	19..			£	s.	d.
Jan. 4	To Cash	1	20	0	0	Jan. 2	By Goods ..	2	40	0	0
,, 12	,, Do.	,,	19	0	0						
,, ,,	,, Discount ..	,,	1	0	0						
			£40	0	0				£40	0	0

102. *Dr.* TOBACCO SUPPLY CO. *Cr.*

19..		C.B.	£	s.	d.	19..			£	s.	d.
Jan. 7	To Cash	1	1,000	0	0	Jan. 2	By Goods ..	3	1,700	0	0
,, 9	,, Do.	,,	530	0	0						
,, ,,	,, Discount ..	,,	170	0	0						
			1,700	0	0				£1,700	0	0
,, 22	,, Cash	,,	486	0	0	Jan. 16	By Goods	7	540	0	0
,, ,,	,, Discount ..	,,	54	0	0						
			£540	0	0				£540	0	0
		R.B.									
,, 29	,, Returns ..	1	115	0	0	Jan. 26	By Goods ..	9	650	0	0
,, 31	,, Balance c/d ..	✓	535	0	0						
			£650	0	0				£650	0	0
						Feb. 1	By Balance b/d ..	✓	535	0	0

103. *Dr.* IMPERIAL FANCY GOODS CO. *Cr.*

19..		C.B.	£	s.	d.	19..			£	s.	d.
Jan. 7	To Cash	1	250	0	0	Jan. 2	By Goods	4	350	0	0
,, 9	,, Do.	,,	82	10	0						
,, ,,	,, Discount ..	,,	17	10	0						
			£350	0	0				£350	0	0
		R. B.									
,, 29	,, Returns ..	1	5	0	0	Jan. 24	By Goods ..	8	125	0	0
		C.B.									
,, ,,	,, Cash	1	117	0	0						
,, ,,	,, Discount ..	,,	3	0	0						
			£125	0	0				£125	0	0

104. *Dr.* A. LETTOR. *Cr.*

19..		C.B.	£	s.	d.	19..			£	s.	d.
Jan 9	To Cash	1	25	0	0	Jan. 1	By Rent	5	25	0	0

105. *Dr.* CORPORATION OF MANPOOL. *Cr.*

19..		C.B.	£	s.	d.	19..			£	s.	d.
Jan. 9	To Cash	1	15	0	0	Jan. 1	By Rates	6	15	0	0

THE IMPERSONAL LEDGER.

201. *Dr.* A. BROWN.—CAPITAL ACCOUNT. *Cr.*

						19..		C.B.	£	s.	d.
						Jan. 1	By Cash	1	2,000	0	0
						,, 3	,, Do.	,,	1,000	0	0
									3,000	0	0

202. *Dr.* A. BROWN.—DRAWINGS ACCOUNT. *Cr.*

19..		C.B.	£	s.	d.						
Jan. 19	To Cash	1	100	0	0						

203. *Dr.* CASH SALES ACCOUNT. *Cr.*

19..			£	s.	d.	19..		C.B.	£	s.	d.
Jan. 31	To Sales Account Transfer ..	I.L. 217	27	10	0	Jan. 4	By Cash—Tobacco	1	3	0	0
						,, 9	,, Do. do.	,,	2	10	0
						,, ,,	,, Do. Cigars ..	,,	5	0	0
						,, 21	,, Do. Tobacco	,,	10	0	0
						,, ,,	,, Do. Cigarettes	,,	5	0	0
						,, ,,	,, Do. Fancy Goods	,,	2	0	0
			£27	10	0				£27	10	0

204. *Dr.* PETTY CASH. *Cr.*

19..		C.B.	£	s.	d.						
Jan. 31	To Cash (Imprest Balance) ..	1	30	0	0						

205. *Dr.* WAGES ACCOUNT. *Cr.*

19..		C.B.	£	s.	d.						
Jan. 10	To Cash	1	1	15	0						
,, ,,	,, Do.	,,	3	10	0						
,, 17	,, Do.	,,	1	15	0						
,, ,,	,, Do.	,,	3	10	0						
,, 24	,, Do.	,,	1	15	0						
,, ,,	,, Do.	,,	3	10	0						
,, 31	,, Do.	,,	1	15	0						
,, ,,	,, Do.	,,	3	10	0						
,, ,,	,, Do.	,,	2	0	0						
			£23	0	0						

206. *Dr.* TRAVELLING EXPENSES ACCOUNT. *Cr.*

19..		C.B.	£	s.	d.						
Jan. 10	To Cash	1	2	2	0						
,, 17	,, Do.	,,	2	2	0						
,, 24	,, Do.	,,	2	2	0						
,, 31	,, Do.	,,	2	2	0						
,, ,,	,, Do.	,,	5	0	0						
			£13	8	0						

207. *Dr.* OFFICE FURNITURE AND FITTINGS ACCOUNT. *Cr.*

19..		I.B.	£	s.	d.
Jan. 31	To Sundry Purchases ..	1	95	0	0

208. *Dr.* POSTAGES AND RECEIPT STAMPS ACCOUNT. *Cr.*

19..		C.B.	£	s.	d.
Jan. 31	To Cash	1	2	0	0

209. *Dr.* CARRIAGE ACCOUNT. *Cr.*

19..		C.B.	£	s.	d.
Jan. 31	To Cash	1	15	0	0

210. *Dr.* INCIDENTAL EXPENSES ACCOUNT. *Cr.*

19..		C.B.	£	s.	d.
Jan. 31	To Cash	1	3	10	0

211. *Dr.* PURCHASES ACCOUNT. *Cr.*

19..			£	s.	d.
Jan. 31	To Sundries—	I.B.			
	Tobacco ..	1	1,120	0	0
	Cigars	,,	1,090	0	0
	Cigarettes ..	,,	680	0	0
	Fancy Goods ..	,,	475	0	0
			3,365	0	0

212. *Dr.* PRINTING AND STATIONERY ACCOUNT. *Cr.*

19..		I.B.	£	s.	d.
Jan. 31	To Purchases ..	1	40	0	0

213. *Dr.* RENT ACCOUNT. *Cr.*

19..		I.B.	£	s.	d.
Jan. 31	To Sundries ..	1	25	0	0

214. *Dr.* COMMISSION ACCOUNT. *Cr.*

19..		C.B.	£	s.	d.
Jan. 31	To Cash	1	16	11	2

215. *Dr.* DISCOUNTS ALLOWED ACCOUNT. *Cr.*

19..		C.B.	£	s.	d.
Jan. 31	To Cash	1	99	10	0

216. *Dr.* DISCOUNTS RECEIVED ACCOUNT. *Cr.*

						19.. Jan. 31	By Cash	C.B. 1	£ 245	s. 10	d. 0

217. *Dr.* SALES ACCOUNT. *Cr.*

						19.. Jan. 31	By Sales	S.D.B. 1	£ 2,201	s. 0	d. 0
						„ „	„ Cash Sales Transfer ..	I.L. 203	27	10	0
									2,228	10	0

218. *Dr.* RETURNS INWARDS ACCOUNT. *Cr.*

19.. Jan. 31	To Sundries ..	R.B. 1	£ 75	s. 0	d. 0						

219. *Dr.* RETURNS OUTWARDS ACCOUNT. *Cr.*

						19.. Jan. 31	By Sundries ..	R.B. 1	£ 120	s. 0	d. 0

220. *Dr.* RATES ACCOUNT. *Cr.*

19.. Jan. 31	To Sundries ..	I.B. 1	£ 15	s. 0	d. 0						

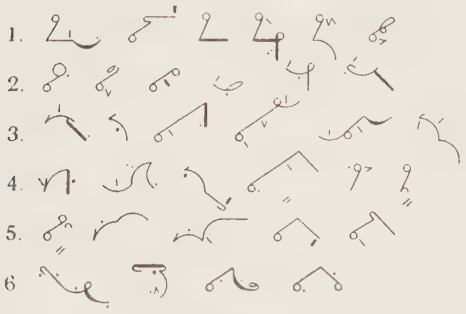
TRIAL BALANCE.—31st January, 19..

			£	s.	d.	£	s.	d.
Led. Fo.	1	B. Wilson	90	0	0			
	2	R. Thomson	45	0	0			
	7	R. Burton	90	0	0			
	10	L. Pearson	135	0	0			
	102	Tobacco Supply Co...				535	0	0
I.L. Fo.	201	Capital Account				3,000	0	0
	202	Drawings Account	100	0	0			
	204	Petty Cash Account..	30	0	0			
	205	Wages Account	23	0	0			
	206	Travelling Expenses..	13	8	0			
	207	Office Furniture	95	0	0			
	208	Postages and Receipt Stamps	2	0	0			
	209	Carriage	15	0	0			
	210	Incidental Expenses..	3	10	0			
	211	Purchases Account	3,365	0	0			
	212	Printing and Stationery	40	0	0			
	213	Rent	25	0	0			
	214	Commission	16	11	2			
	215	Discounts allowed	99	10	0			
	216	Discounts received				245	10	0
	217	Sales				2,228	10	0
	218	Returns Inwards	75	0	0			
	219	Returns Outwards				120	0	0
	220	Rates Account	15	0	0			
C.B.	1	Cash	4	18	0			
	1	Bank	1,846	2	10			
			£6,129	0	0	£6,129	0	0

SHORTHAND

Continued from page 546

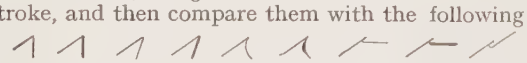
KEY TO EXERCISE 42.



LESSON XIII.

UPWARD AND DOWNWARD *R*.—You have doubtless been wondering when the reasons for the use of two forms of *R* would be given and explained. We are now in a position to understand those reasons.

First let us try the effect of using the downward *R* before | | / / ((— — and ⌒ Write these outlines, using the downward *r* before each stroke, and then compare them with the following



A moment's thought and trial will convince you that the latter forms are infinitely better than the former, as they are sharper outlines, quicker to write, and are easily made perfectly, whilst it is almost impossible to make the others perfectly at even a medium rate of speed.

Hence we make our first rule—

RULE 1. When *R* occurs before | | / / ((— — and ⌒, it *must always be written upward*, whether it occurs initially or medially.

For a similar reason, *r before m* should be *written downwards*, for although ⌒ is possible, it is not nearly so quickly written as ⌒

A few examples will give an idea of this rule:

right, aright; reducing, iridescence, wretch, Archie, ridge, urge; wrath, earthy; wreathe, earthen; recluse, oracles; wriggles; hourglass, Irwin; Roman, ermine.

Vowel Indication. Another very important advantage obtained by the use of two forms of *R*, is that they can be employed for purposes of vowel indication, especially in short words, for you will find that in these vowel indication is most necessary.

You are already familiar with this principle in the case of the two forms of *s*, for you will remember that an initial vowel needed an initial stroke to which it could be placed, hence we wrote: *essence*, but *sense*; also that a final vowel required a final stroke to which it could be placed, and so we wrote *lacy*, *lace*. For a similar reason we wrote *shine*, *shiny*; *beef*, *beefy*.

Initial or final vowels were indicated in these cases by the presence of an initial or a final stroke.

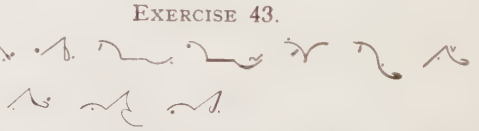
Similarly we make use of the two forms of *R* for vowel indication. Downward *r* at the beginning of an outline indicates a preceding vowel, whilst upward *r* at the beginning may be taken to indicate that no vowel precedes.

Thus: *era, rue; urban, robin; ark, rack; Erskine, Ruskin; early, rely; organ, regain; orifice, refuse; arrives, rives, revise; arrival, rival; Irish, rash; earn, run; orations, rations.*

This rule, however, does not apply to *r* before the strokes mentioned in No. 1 rule; hence our second rule becomes—

RULE 2. In cases other than those mentioned in Rule 1, initial *r* is upward, but if preceded by a vowel it is written downward.

EXERCISE 43.

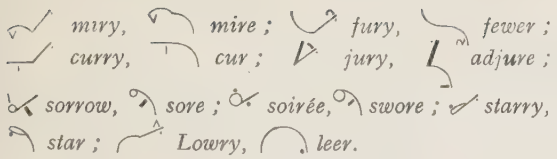
1. 

2. Wretch, scorch, Martha, miracle, emerge, Irving, roves, river.
3. Irawaddy, repose, restrainer, Arabic, rousing, arousing, arisen, raisin.

Final Stroke *R*. Let us now see how this principle of vowel indication can be applied at the end of an outline.

RULE 3. When *r* at the end of an outline is followed by a vowel, write the upward *r*; and when no vowel follows the final *r*, write the downward *r*.

From this we see that the upward *r* here indicates the presence of a following vowel, and the downward *r* the absence of a vowel, as is seen in the examples: *sparrow, spar*;


mury, mire; fury, fewer; curry, cur; jury, adjure; sorrow, sore; soirée, swore; starry, star; Lowry, leer.

You may ask the question: "Of what value is vowel indication, since the vowels are *inserted* in each of the above cases?"

When writing at a low speed, say 40 or 50 words a minute, it is an easy matter to insert the vowels; but, when writing at the speed necessary to take verbatim reports of speeches, this is an impossibility. Hence *some* vowels must be omitted, and the fact that the outline itself shows either the presence or absence of a vowel is an enormous help in reading. Initial and final vowels are the most important, hence the attention paid to them in the rules.

The indication of vowels, however, must on no account be allowed to render an outline awkward. In order to avoid an awkward outline, therefore, either upward or downward *r* may be used finally.

For example, let us take the words *pair, repair,* and *despair.* According to rule, *pair* must be written with the downward *r*, as the latter is not followed by a vowel; thus, So also with *repair;* thus, , but in *despair* the downward *r* would bring the outline too far below the line, and would interfere with the next line of shorthand; hence after *two downstrokes* it is generally advisable to write the *r* upward, even though no vowel follow; thus, *despair,* *Shakespeare,* *babbler,* *tattler,* *chatterer,* *chastiser.*

The downward *r* after one straight upstroke is not practical, hence it is better to use upward *r* in such cases, especially as time is saved by so doing; thus, *roe,* *roar,* *uproar;* *away,* *aware,* *unaware;* *yay,* *yare,* *queer;* *adhere,* *beware;* *answer,* *answerer.*

The forms given above already go far enough above the line; hence if a further *r* is to be added, a downward *r* is chosen as the final one; thus, *roar,* *roarer;* *rear,* *rearer.*

Exercise 44.

1. Unfair, smear, roar, liar, slur, sparrow, destroyer.
2. Reviewer, dyers, inner, designer, Nore, Norah.
3. Laura, inspire, rarer, singer, stories, swears.

You will see that after *ns* downward *r* is very awkward, hence we ignore vowel indication and write , as in *fencer,* *dancer,* *Spencer,* *dispenser,* *cleanser,* etc. *Fs, vs,* or *th s* followed by *r* are also written , as in *professor,* *advisor,* etc.

The horizontal strokes , whether initially hooked or not should be followed by an upward *r*, as the downward *r* is far more difficult to make perfectly. Hence we write *taxer,* *fixer,* *gazer,* *closer,* *grocer,* *accuser,* *successor,* although no vowel follows the *r*.

When *r following another stroke* needs to be hooked for *n, f* or *v,* or *shn,* the upward *r* is always used for the purpose, owing to the sharper angle which is obtained in each case; thus, *spurn,* *Osborne,* *learn,* *adjourn,* *operation,* *portion,* *distortion,* *dispersion,* *turf,* *scarf,* *reserves.*

Also *swerves,* *starves;* *serfs* or *serves.*

Medial *R.* In the majority of cases the upward *r* is the better form to use medially, as it usually gives a sharper angle; so we write, *mark,* *purpose,* *paraffin,* *pork,* *marble,* *Murphy,* *marvel,* *doorway,* *fourteen.* (See also Rule 1): *march,* *mirth,* etc.

In the words *fork,* *cork,* *lark,* *alarm,* *form,* *corm,* *scarcely,* the downward *r* gives a better and more flowing outline.

Notice also *hair,* *hairy;* *horn,* *heron;* *hear,* *hero;* *hearken,* *hurricane;* in which cases the upward *r* indicates the presence of a following vowel.

Deductions. Now what are we to deduce from these examples?

1. That we are provided with two forms of *r* mainly to give sharp or flowing outlines; hence we use either *r* so as to get a good joining.

2. That the two forms of *r* are necessary in some cases to keep our outlines within easy reach of the line of writing.

3. That vowel indication is chiefly employed in small words, and in other cases only where awkward outlines do not result.

Exercise 45.

1. Mincer, forester, Forster, boxer, cruiser, sponsor.
2. Infuser, greasers, mourn, urn, siren, steer.
3. Corn, crane, spurns, sprains, immerse, immersion.
4. Despiser, rests, mirror, razor, wiser, aroused.
5. Affirmation, clerk, sky-larks, merge.

COMMERCIAL ARITHMETIC

Continued from page 549

ANSWERS TO EXERCISE L.

(1) A. £859 15s. 11d.; B. £1,165 4s. 1d.
(2) £139 4s. 1d. (3) £46 13s. 11d. (4) 1s. 1½d.

LESSON XIII.

COMPOUND INTEREST.—In Lesson XII we gave two methods of finding the compound interest, but for a large number of years the alternative method is the one generally used.

EXAMPLE. Find the compound interest on £634 15s. in 10 years at 5%, interest convertible annually.

£1 in 1 year amounts to $1 + i$
i = interest on £1 = ·05 at 5%
∴ £1 in 1 year at 5% amounts to 1·05
,, 10 years ,, ,, ,, $1{\cdot}05)^{10}$

As we intend to multiply the amount (or interest) of £1 by 634·75, it is necessary that we should work to six places of decimals, that the final answer may be correct to the nearest penny.

$1{\cdot}05 \times 1{\cdot}05 = (1{\cdot}05)^2$
$(1{\cdot}05)^2 \times (1{\cdot}05)^2 = (1{\cdot}05)^4$
$(1{\cdot}05)^4 \times (1{\cdot}05)^4 = (1{\cdot}05)^8$
$(1{\cdot}05)^8 \times (1{\cdot}05)^2 = (1{\cdot}05)^{10}$

1·05
525

1·1025 $(1{\cdot}05)^2$
·11025
2205
551

1·215506 $(1{\cdot}05)^2 \times (1{\cdot}05)^2 = (1{\cdot}05)^4$
·243101
12155
6078
608
7

1·477455 $(1{\cdot}05)^4 \times (1{\cdot}05)^4 = (1{\cdot}05)^8$
147746
2955
738

1·628894 $(1{\cdot}05)^8 \times (1{\cdot}05)^2 = (1{\cdot}05)^{10}$

∴ Amount of £634·75 = 634·75 × 1·628894.

1·628894 × 634·75

977·3364
48·8668
6·5156
1·1402
814

1033·9404

Interest on £634 15s. for 10 years at 5%
= £1033·940 − £634·75
= £399·190
= £399 3s. 10d.

For a long term of years the work may be lessened by the use of logarithms, or the result may be obtained from *Tables of Compound Interest*. In these tables the amount of £1 at various rates per cent. is given.

Prepare a table showing the amount of £1 at 3% compound interest for 1 to 10 years.

At 3%, £1 in 1 year amounts to 1·03.

The amount for the second year is found by multiplying 1·03 by 1·03. This result may be obtained by multiplying 1·03 by ·03 and then adding it to 1·03.

1·03 × 1·03
·0309

1·0609

The multiplication need not be carried beyond the sixth place of decimals.

Years.	Working.	Amount of £1.
1	1·03	1·03
	309	
2	1·0609	1·0609
	31827	
3	1·092727	1·092727
	32782	
4	1·125509	1·125509
	33765	
5	1·159274	1·159274
	34778	
6	1·194052	1·194052
	35822	
7	1·229874	1·229874
	36896	
8	1·266770	1·266770
	38003	
9	1·304773	1·304773
	39143	
10	1·343916	1·343916

EXAMPLE. Use the table to find the amount of—

(*a*) £727 in 5 years at 3%;
(*b*) £2,035 in 7 years at 3%.

(*a*) £1 in 5 years amounts to 1·159274
£727 „ „ „ 727 × 1·159274

1·159274 × 727

811·4918 = 700 times
23·1855 = 20 „
8·1149 = 7 „

842·7922 = £842 15s. 10d.

(*b*) £1 in 7 years amounts to 1·229874
∴ £2,035 „ „ „ £2035 × 1·229874

1·229874 × 2035

2459·748
36·8962
6·1494

2502·7936 = £2,502 15s. 10d.

Now, suppose the interest were at 6 per cent. per annum, convertible half-yearly.

£1 in 1 year at 6% yields ·06
∴ £1 in ½ „ „ „ ·03
∴ £1 in ½ year at 6% amounts to 1·03
∴ £1·03 in ½ „ „ „ „ 1·03 × 1·03 or $(1·03)^2$

As the interest for the second half-year would have to be calculated on the amount at the end of the first (i.e. 1·03), £1 in 1 year at 6%, interest being convertible half-yearly, would amount to $1·03^2$ or 1·0609.

That is to say, the amount of £1 in 2 years at 3% is equal to the amount of £1 in two half years at 6 per cent., interest being reckoned half-yearly.

In the following table the amounts of £1 at 4% and at 5% have been obtained in the same way as those at 3%. You will notice that if an error be made in any one year, the results for all following years will be wrong. In these tables the amounts for certain years were verified by means of logarithms.

Table showing amount of £1 at 3%, 4%, and 5% compound interest.

Years.	3%	4%	5%	Years.
1	1·030000	1·040000	1·050000	1
2	1·060900	1·081600	1·102500	2
3	1·092727	1·124864	1·157625	3
4	1·125509	1·169858	1·215506	4
5	1·159274	1·216652	1·276281	5
6	1·194052	1·265318	1·340095	6
7	1·229874	1·315930	1·407100	7
8	1·266770	1·368568	1·477455	8
9	1·304773	1·423311	1·551328	9
10	1·343916	1·480243	1·628894	10

PRESENT VALUE.—The present value of a given amount, due at a given date, is that sum which, with interest, will accumulate to the given amount in the time. Thus, £1 in 3 years at 5% compound interest amounts to £1·157625 or $(1·05)^3$. £1 is the present value of £1·157625, due 3 years hence, interest being calculated at 5%.

At 5%, £1·157625, due 3 years hence,
has a present value of £1

∴ £1 „ „ „ „ „ $\frac{1}{1·157625}$

or $\frac{1}{(1·05)^3}$

The amount of £1 in 2 years $= (1+i)^2$
„ „ „ 3 „ $= (1+i)^3$
„ „ „ n „ $= (1+i)^n$

The present value of £1 due in 2 yrs. $= \frac{1}{(1+i)^2}$

„ „ „ „ 3 yrs. $= \frac{1}{(1+i)^3}$

„ „ „ „ n yrs. $= \frac{1}{(1+i)^n}$

EXAMPLE. Find the present value of £175 10s. due 4 years hence, interest being reckoned at 4%.

Present value of £1 due 4 years hence, at 4%

$$= \frac{1}{1·04^4}$$

∴ P.V. of £175·5 due 4 yrs. hence $= \frac{175·5}{1·04^4}$

$1·04^4$ = amount of £1 in 4 yrs. at 4%
= 1·169858 (from table)

$$\therefore \frac{175·5}{1·04^4} = \frac{175·5}{1·169858}$$
$$= £150·018$$

Present value = £150 0s. 4d.

11\6\9\8\5\8)1755000(150·018
585142
213
96
3

Tables showing present value of £1 are very useful. They are not compiled in the same way as the Table of Amounts, as this would involve too much labour. If we wish to obtain a Table of Present Values for 1 to 10 years we should first obtain the present value of £1 due 10 years hence. To get the value due 9 years hence, we should multiply the value for 10 years by the amount for 1 year.

Thus £1 in 1 yr. at 3% amounts to 1·03
∴ „ 10 yrs. „ „ „ $(1{\cdot}03)^{10}$

P.V. of £1 in 10 yrs. at 3% $= \frac{1}{1{\cdot}03^{10}}$

„ „ 9 „ „ $= \frac{1}{1{\cdot}03^{9}}$

Now $\frac{1}{1{\cdot}03^{10}} \times 1{\cdot}03 = \frac{1}{1{\cdot}03^{9}}$

Hence if we multiply the present value for 10 years by 1.03, we should obtain the present value for 9 years.

$1{\cdot}03^{10} = 1{\cdot}343916$

$\therefore \quad \frac{1}{1{\cdot}03^{10}} = \frac{1}{1{\cdot}343916}$

$= \cdot 744094$

13\4\3\9\1\6)10000000(744094
592588
55022
1266
57
3

At 3%, P.V. of £1 due 10 years hence
$= \cdot 744094$
„ „ „ 9 „ „ $= \cdot 744094 \times 1{\cdot}03$
$= \cdot 766417$

$\cdot 744094 \times 1{\cdot}03$
22323
·766417

Begin multiplying at the fourth place (0) and add in the *carry* from the fifth place.

Prepare a table showing present value of £1 at 3% compound interest for 1 to 10 years.

Years.	Working.	Present Value of £1.
10	·744094 22323	·744094
9	·766417 22992	·766417
8	·789409 23682	·789409
7	·813091 24393	·813091
6	·837484 25124	·837484
5	·862608 25878	·862608
4	·888486 26654	·888486
3	·915140 27454	·915140
2	·942594 28278	·942594
1	·970872 29126	·970872
0	·999998	1

Find the present value of £1,000 due 7 years hence, reckoning interest annually at 3%.

From the table, the present value of £1 due in 7 years at 3% = ·813091

∴ P.V. of £1,000 = ·813091 × 1000
= 813·091
= £813 1s. 10d.

If £813 1s. 10d. is the present value of £1,000 due in 7 years, reckoning interest at 3%, £813 1s. 10d. ought to amount to £1,000 in 7 years at 3%.

By table, amount of £1 in 7 years at 3%
= 1·229874
∴ „ £813·091 in 7 years at 3 %
= 813·091 × 1·229874

813·091 × 1·229874
162·6182
16·2618
7·3178
·6504
569
32
999·9993

Exercise M.

(1) What would £482 12s. 6d. amount to in 12 years at 5%, compound interest reckoned yearly ?

(2) What sum will amount to £500 in 7 years at 4%, interest convertible yearly ?

(3) Find the present value of £875 due 8 years hence, reckoning interest at 5% annually.

(4) Two offers are made for a property—(*a*) £2,250 payable at once ; (*b*) £2,500 at the end of 3 years. Which is the better offer ? Interest at 4%.

(5) Find the present value of £250 due in 4½ years, interest at 6% convertible half-yearly.

HANDWRITING

Continued from page 550

LESSON XIII.

LINE 8. The capital *L* is a letter that is largely used, and one, therefore, that deserves special care. The flat-looped exercise shows how the lower part of it should be made. Take care to have the flat loop lying on the line.

LINE 9. The upper portion of *T* and *F* should be written with a lateral movement across the top of the downstroke. If these letters are made with a slanting upward stroke, they resemble the letter *S*. They should first be traced over with a dry pen.

LINE 16. Figures are of the utmost importance, because we have no context to guide us when we meet with one badly formed. The trouble and annoyance caused by a faulty figure is sometimes enormous, so that special care should be taken to have them well shaped. Fig. 4 should be written so that the cross line does not touch the ruled line of the book, as in such a case it may appear so indistinct as to be mistaken for 11. Note that the two downstrokes of fig. 4 are unequal in size. Let figs. 3 and 8 be written so clearly as to leave no doubt of their identity. The top stroke of 7 should be almost at right angles to the downstroke. Avoid adding a fine upward hair stroke to fig. 1. Such a stroke often has the effect of making it look like 7. Write 6 and 0 as unlike as possible.

EXERCISE XIII.

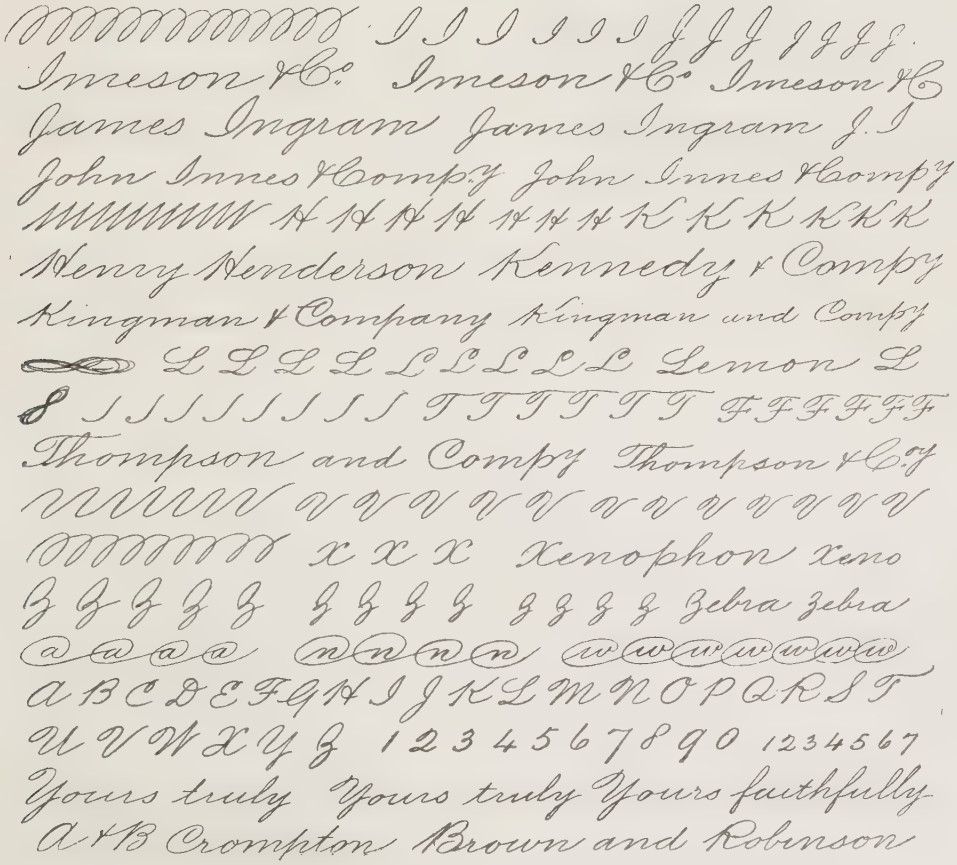

Imeson & Co. Imeson & Co. Imeson & Co
James Ingram James Ingram J. I
John Innes & Compy John Innes & Compy
Henry Henderson Kennedy & Compy
Kingman & Company Kingman and Compy
Lemon L
Thompson and Compy Thompson & Co.y
Xenophon xeno
Zebra zebra
a B C D E F G H I J K L M N O P Q R S T
U V W X Y Z 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7
Yours truly Yours truly Yours faithfully
A & B Crompton Brown and Robinson

FIG. 15.

TYPEWRITING

Continued from page 551

LESSON XIII.

TABULATOR.—This is another modern device for facilitating the work of the typist. By its aid the operator is enabled to marshal into columns figures of any denomination or description, with (say) the pounds arranging themselves in the pounds column, the shillings in the shillings column, the pence in the pence column, and with the units falling unerringly under the units, the tens under the tens, etc.

Our first illustration shows one of the newest devices in tabulators, namely, the Built-in Tabulator, which forms a part of the typewriter itself.

Just above the keyboard the student will observe ten Tabulator keys, and immediately above them a scale indicating the numerical value of each key. Again, to the extreme left-hand side of the keyboard (on a line with the top row of figures) there is a key marked "Tab. Set Key," its function being to actually *set* the Stops with which the Tabulator Rack at the back of the machine is furnished.

This is the arrangement adopted on the No. 11 Remington; but on the Remington-Wahl, with which we shall deal later, the Tabulator keys take the form of plungers rather than keys, and project from the front of the base of the typewriter, being below the keyboard instead of above it, the space above being required for the Adding and Subtracting mechanism.

Again, on some typewriters the keys have their respective values marked on the face of the key, instead of upon a scale just above them, and the Stops are adjustable by hand, and not by a Tab. Set Key.

The method of setting the Stops varies on different typewriters and on different models of the same machine, but in the case of the first illustration, it is only necessary to pass the carriage to the point where a Stop is to be set, and to depress the Tab. Set Key, repeating the process until the required number of Stops are set, and to clear the Rack for a new setting the movement of the carriage must be reversed by depressing the carriage release key.

On machines which are not fitted with the Key Set mechanism, the Stops are placed on the Rack by hand at the required numbers, the Rack being notched and numbered to correspond with the degrees of the scale; some of the Racks are reversible so that it is not necessary to take off the Stops for each new setting, as the Rack may be turned and as many as four different styles of work set up at one and the same time.

The student should note the four main rules which govern the positions of the Stops—

(*a*) Set the Stops for the *beginning* of the columns when the *left-hand margin is uniform*, and depress the *units* key.

(*b*) Set the Stops for the *end* of the columns when the *right-hand margin is uniform*, and depress the key which corresponds to the denomination required.

(*c*) Generally speaking, set only one[1] Stop for £ *s. d.*, namely, for the *units of the pence*, and depress the key which corresponds to the denomination required.

(*d*) Set the Stops for the *units* of the *whole numbers* in columns which contain whole numbers and decimals, and depress the key which corresponds to the denomination of the whole number.

[1] On some models *three* stops are required for £ s. d.

EXERCISE 23. Display the following Stock Account, setting the stops of the tabulator for the units of the pence columns.

STOCK ACCOUNT. BRIGHTON BRANCH.

Weekly Stock Account.	Date.	Clothing.	Hats.	Total.
Amount of Stock Brought Forward Saturday.....	1921. Dec. 7	1249 6 3	537 8 4	1786 14 7
Goods received during week.....		130 3 2	89 3 6	219 6 8
		1379 9 5	626 11 10	2006 1 3
Less Returns to Head Office.....		10 6 3	7 2 4	17 8 7
		1369 3 2	619 9 6	1988 12 8
Less Sales for week..		133 18 11	97 6 6	231 5 5
Amount of Stock Saturday.....	Dec.14	£1235 4 3	522 3 0	1757 7 3

EXERCISE 24. Display the following table, setting the stops of the tabulator for the units of each column.

IMPORTATION of HAY into the UNITED KINGDOM

	1910.	1911.	1912.
	Tons.	Tons.	Tons.
United States, Atlantic.. ...	152,423	101,132	11,532
Russia	28,822	27,694	2
Canada	28,711	63,175	13,120
Holland	13,540	28,332	19,403
France	6,206	1,234	3,526
Denmark	5,042	4,252	2,291
Chili	4,070	3,614	346
Algeria	3,951	731	3,590
Belgium	3,887	3,436	90
Norway	2,969	1,674	2,225
Germany	1,929	2,188	4,290
Other Countries	2,664	25,588	816
Totals	254,214	263,050	61,231

COMMERCIAL HISTORY

Continued from page 503

LESSON XI.

BANKING AND THE BANK OF ENGLAND.—The end of the seventeenth century saw the foundation of the Bank of England. After the expulsion of the Jews in 1290, the trade of money-lending fell into the hands of Italian merchants who sold general commodities and lent money. Their loans were principally to the Crown, the prospective revenue from customs duties and taxes being pledged as security. The failure of Edward III to repay a loan at the agreed time caused the ruin of the Italian banking houses that had financed his schemes. From this time forward the business of finance was conducted by Englishmen ; and first amongst them were the Goldsmiths, who undertook the business of money lending and banking. By this time, the Christian objection to the taking of money at interest had weakened and was now solely directed against unfair rates of usury. The growth of trade had facilitated the employment of capital ; and when it was seen that merchants could make great profits by using borrowed capital, there seemed nothing immoral in their giving the lender some share of that profit One of the functions of the banker is to take care of valuables ; and the Goldsmiths, possessing valuable property of their own, were naturally looked upon as fit custodians for the valuables of others. They thus came to have charge of considerable amounts of money with other valuables ; and when they observed that their stock of money never fell below a certain minimum the advantage of lending some of the surplus at interest would be apparent. Their banking business extended ; and they frequently lent to the Government, thus assuming the second important function of the banker, viz., money lending ; and, as they also issued bills that circulated freely and served the purposes of notes, they may be said to have fulfilled most of the functions of a modern bank.

The next development came in 1694. The Government was pressed for money to carry on a continental war, and its credit was not good. For a loan of £1,200,000 it offered 8 per cent., and allowed the lenders to incorporate themselves as the Bank of England with certain monopolies and other privileges. For a long time the continued existence of the Bank was in doubt, largely owing to the political opposition of the Tories, and to the trade opposition of the Goldsmiths. But it continued to grow and achieved greater success and gained greater prestige every generation.

MERCANTILISM.—In order to understand the facts of history it is often desirable to go behind them and search for the causes that explain them. If we do this in examining the political and commercial policy of the fifteenth, sixteenth, and seventeenth centuries, we shall find that the dominant idea of the statesmen of the time was to develop a strong nation, able to resist aggression and secure for itself a leading place among the nations. The policy by which this end was sought is conveniently described as the policy of " power " as distinguished from the policy of " plenty." The carrying out of this policy involved the frequent, perhaps the continuous, sacrifice of immediate economic advantage for the sake of the ultimate object. Thus the immediate cheapness of freights in foreign ships was sacrificed for the sake of building up a mercantile marine of our own. The Navigation Acts were one outcome of this policy, which was further expressed in Acts of Parliament encouraging the importation of stores used in shipbuilding and in encouraging the fishing industry that there might always be a good supply of men for manning our ships. About the middle of the eighteenth century the smelting of iron was prohibited because it was denuding the country of oak trees required for ships. Industry and foreign trade were regulated in order to promote the same general ends. This policy is known comprehensively as Mercantilism or the Mercantile Policy ; and it has special interest because of the way in which it was applied in the case of bullion, i.e. the precious metals. It is easy to realise—as the wars and other incidents of the fourteenth to seventeenth centuries convinced contemporary statesmen—that the presence in the country of large stores of ready money was an enormous advantage when war broke out, for money was required to equip, or hire, armies, and fit out fleets. For these reasons, as early as the reign of Richard II, attempts were made to secure this advantage, an Act being passed in 1381 to prohibit the export of bullion. It is an axiom of foreign trade that imports pay for exports ; and bullion plays but a small part in the settlement of international debts. In modern times the response of prices to variations in the home supply of bullion would certainly be quicker than in the days of mercantilism, but, even then, there must have been a response. It was considered good business to trade with a country when the trade resulted in a balance in our favour payable in bullion ; and even to-day such a relation between imports and exports is spoken of as a " favourable " balance. This policy was known as the " bullionist" policy.

AUDITING

Continued from page 505

LESSON VII.

With regard to the complex question of depreciation, it is not proposed to state here more than that all assets of a circulating or liquid character should be adequately maintained ; and that all plant and machinery, tools and implements used in manufacturing, and thus producing revenue, should be subject to similar treatment.

Sometimes the depreciation is written off the assets affected, and, in other cases, the practice is to debit Profit and Loss Account and credit a Depreciation Account, the latter appearing as a liability in the Balance Sheet, the former method being illustrated later. In some instances, renewal accounts are opened, the amounts being periodically credited thereto out of or against revenue, and the cost of all actual renewals (not repairs and maintenance, which constitute a distinct charge) being debited thereto. In all cases, however, the auditor should assure himself as far as possible that all repairs and maintenance and renewals have been charged to revenue either directly or indirectly, according to the particular procedure adopted. It is not unusual in engineering and allied works for loose tools to be revalued, say, every five years, any debit balance as the result of the difference between book values and the valuation being sunk in the Profit and Loss Account. In a certain instance there occurred a credit balance of a considerable amount as the result of such revaluation, which was allocated to the general reserve.

Sometimes the charges against or the allocations of profits on account of depreciation are in part invested outside the business. The amount of the Depreciation Account is recorded as a liability, and the investments are included among the assets ; e.g.—

LIABILITIES.

	£	£
Depreciation—		
As per last Balance Sheet ..	114,000	
Amount appropriated this Account	20,000	
	134,000	
Interest on Investments	2,000	
	136,000	
Deduct cost of renewals during the year	6,000	
		130,000

In our engineering works Balance Sheet, the liabilities are exhibited in the following order—

1. Nominal Share Capital.
2. Subscribed Capital.
3. Debentures.
4. Bills Payable.
5. Sundry Creditors.
6. Reserve Accounts.
7. Profit and Loss Account.

When any portion of the share capital is in progress of payment, the common practice is followed of showing the calls outstanding and any calls paid in advance, as under—

250,000 shares of £1 each, 15s. called . . .	£187,500	
Less calls outstanding . .	6,000	
	£181,500	
Add amount paid in advance of calls	1,500	
		£182,000

If the shares have been issued for cash £182,000 represents the total cash received and receivable in respect of the 250,000 shares at 15s. per share. The auditor would see from the Call Book the composition of the £600, which should agree with the total balances on the individual accounts concerned, in the Share Ledger. There will be a special account in the ordinary Ledger for the amount paid or received in advance, mention of which will usually be found in the minutes of the proceedings of the board. Amounts paid in advance of calls should not be posted or transferred to the Share Capital Account in the ordinary Ledger, nor should they be posted to the respective accounts in the Share Register until a call has been made. Calls paid in advance are in the nature of loans.

Calls outstanding are debits, and it is sometimes urged that instead of being shown as in our illustration they should be specially stated in the assets side of the Balance Sheet, whilst amounts paid in advance of calls should be shown on the liabilities side of the Balance Sheet quite distinct from the share capital position.

Where shares have been forfeited, the auditor will have before him as evidence the minutes which he will carefully note. The following illustrates *pro forma* the accounting procedure—

Issue of 150,000 shares of £1 each.

10s. per share payable on application and allotment.

5s. per share payable on 1st Call Account, 2nd May, 1921, the cash in respect of which was received subject to the remarks below.

5s. per share payable on final Call Account, 31st Jan., 1922.

At the 31st December, the date of the Balance Sheet, there are 250 shares which have been paid

for in full, and there are 200 shares on which the application and allotment money was paid; but which were forfeited for non-payment of the 5s. per share which was due on the 2nd May, 1921. The position at the 31st December is as under—

Dr. APPLICATION AND ALLOTMENT. *Cr.*

	£	s.	d.		£	s.	d.
To Share Capital .. .. .. 150,000 at 10s.	75,000	0	0	By Cash	75,000	0	0

SHARE CAPITAL.

	£	s.	d.		£	s.	d.
To Shares Forfeited .. .. 200 at 10s.	100	0	0	By Application and Allotment	75,000	0	0
,, 1st Call .. .. 200 at 5s.	50	0	0	,, 1st Call	37,500	0	0

CASH.

	£	s.	d.
To Application and Allotment ..	75,000	0	0
,, 1st Call	37,450	0	0
,, Amounts paid in advance ..	62	10	0

1ST CALL.

	£	s.	d.		£	s.	d.
To Share Capital .. .. .. 150,000 at 5s.	37,500	0	0	By Cash	37,450	0	0
				,, Share Capital .. .. .. 200 at 5s.	50	0	0
	37,500	0	0		£37,500	0	0

SHARES FORFEITED.

	£	s.	d.
By Share Capital	100	0	0

AMOUNTS PAID IN ADVANCE OF CALL.

	£	s.	d.
By Cash .. .. 250 at 5s.	62	10	0

The position would be indicated in the Balance Sheet at the 31st Dec. as under—

		£	s.	d.	£	s.	d.
Share Capital issued—							
	150,000 Shares of £1 each at 15s. per share	112,500	0	0			
Deduct—	200 Shares forfeited	150	0	0			
	149,800	112,350	0	0			
	Add—Amounts paid in advance of calls	62	10	0			
					112,412	10	0
Shares Forfeited—Amount received in respect of 200 shares forfeited					100	0	0

BANKING

Continued from page 508

LESSON VIII.

ORDINARY STOCK AND ORDINARY SHARES.—When a public company is formed, a number of persons (not less than seven) subscribe sums of money to provide the capital with which the company is to carry on its business. These persons are termed the shareholders or proprietors of the company, and each receives a number of shares or an amount of stock proportionate to the amount of the money he has subscribed. Thus if the capital of a company consists of £5 shares, and if it is issued at par, a person who subscribes £100 to its capital is entitled to receive twenty shares; while if the capital consists of stock, he will receive £100 of stock. It may be noted that the ordinary shares of a company need not be fully paid up, that is, only a portion of the nominal value of the share may have been actually paid, the unpaid part being liable to be called up if the financial position of the company renders it necessary. Thus, if the shares are £5 shares, of which £2 is paid up, each proprietor is liable to pay a further £3 or any less sum that may be "called," for each share that he holds.

PREFERENCE STOCK AND PREFERENCE SHARES.—Part of the capital of a company may consist of preference (or preferred) shares or stock. The holders of preference stock or shares rank before the ordinary shareholders in regard both to dividends and (as a rule) to repayment of capital, in the event of the company being wound up. They are usually entitled in any year to receive their full dividend, if the profits of the company permit it, before the ordinary shareholders receive anything; but in most cases the amount of their dividend cannot exceed a fixed percentage, while that which the ordinary shareholders can receive is unlimited. It is obvious, therefore, that the preference shares of any given company are a safer investment than the ordinary shares; but, on the other hand, the latter alone receive the benefit of exceptional prosperity on the part of the company. Sometimes preference shares are what is called "cumulative." This means that if in any year or half-year (according as the company's accounts are made up yearly or half-yearly) the profits earned by the company are insufficient to pay the dividend on the preference shares, the holders of these shares are entitled to have the deficiency made up out of the profits of any subsequent year or half-year before the ordinary shareholders receive anything. The latter, in fact, cannot receive any dividend until the dividend on the preference shares has been paid up to date. If the preference shares are not cumulative, each year or half-year stands by itself, and arrears of dividend can never be recovered. Sometimes a large company has different classes of preference shares, distinguished as "first preference," "second preference," and so on, according to the priority of their claim to dividend.

DEBENTURE STOCK, DEBENTURES, AND BONDS.—Companies often supplement their share capital by borrowing from persons willing to lend. In return for such loans, they issue to the lenders debenture stock, debentures, or bonds. The loan capital of a company may consist of stock, in which case it is called debenture stock, or it may be divided into portions of fixed amount (analogous to shares), which are called debentures or bonds. The debenture holders or bondholders of a company are entitled to fixed interest in priority to either preference or ordinary shareholders.

It will be seen that debenture holders stand on quite a different footing from shareholders. The latter are the proprietors of the company, and in no sense its creditors. The former, on the other hand, are merely creditors of the company, and have no voice in its management. It very often happens that the company gives security for its debentures by mortgaging some portion of its assets, such as land or buildings, to trustees acting on behalf of the debenture holders. Debentures thus secured are often described as "mortgage debentures" or "mortgage bonds." In other cases, the security of the debenture holders consists in a general charge on all the company's assets. In either case, the debenture holders have usually the right, as soon as their interest is in arrear, to wind up the company if they think fit, and appoint someone to administer or dispose of its property on their behalf.

GOVERNMENT AND MUNICIPAL LOANS.—Governments, whether national or provincial, and municipalities also, frequently borrow money for public works or defence purposes. Their loans, whether represented by stock or bonds, are similar to the loans of companies. Like them, they may be secured by the mortgage of particular assets—very often in this case the revenue of particular taxes; usually, however, there is no special security, but merely the moral obligation of the State to repay its debts.

Before discussing the relative suitability of these different classes of stocks, shares, and bonds as security for bankers' advances, we may proceed to the second classification according to the kind of document by which they are represented.

REGISTERED STOCKS AND SHARES.—In the case of most stocks, whether ordinary, preference,

or debenture, and of practically all shares in English companies, the name of each holder, together with the amount of stock or the number of shares which he holds, is registered in books kept by the company. As evidence that this has been done, each holder receives a certificate stating that he is registered as the holder of so many shares or such an amount of stock. If a holder of such stock or shares wishes to transfer them to another person, he must execute a deed, called a transfer deed, and hand it with the certificate to the transferee. This transfer deed, which must be stamped with an impressed *ad valorem* Revenue stamp, is then signed by the transferee, and sent with the certificate to the company's office. If the transfer is in order, the company will then, in due course, transfer the stock in its books to the new holder and issue a new certificate to the transferee. If it is desired to transfer only part of the holding represented by the certificate, the usual course is for the transferor or his brokers to take the certificate and the transfer, before the latter has received the signature of the transferee, to the office of the company. The company retains the certificate and certifies on the transfer that sufficient stock or shares have been lodged to cover it. The transfer is then called a "certified transfer," and is good delivery by the Stock Exchange rules. A fresh certificate will then be issued to the holder of the original certificate for the balance of the stock or shares represented by the latter, after deducting those transferred. The dividend or interest on registered stocks or shares is paid by "dividend warrants," or cheques sent to the registered holder or to his bank, if he so direct.

Inscribed Stocks. A large number of British and Colonial Government and municipal stocks are known as "inscribed" stocks, because the names of the holders, with the amounts they hold, are inscribed in a stock register usually kept, on behalf of the Government or municipality concerned, by a bank—in the case of British Government stocks by the Bank of England. They differ from registered stocks in that, in their case, no certificate is issued, the only evidence of ownership being the actual stock register. Inscribed stocks are transferred by personal attendance of the stock holder or a nominee appointed by a power of attorney, at the bank at which the register is kept. The transferor signs the form of transfer in a book kept for that purpose at the bank; and as evidence that the transfer has been completed, the transferee receives a receipt on a printed form, called a "stock receipt."

Bonds to Bearer. In many cases the loans of British, Colonial, and foreign Governments, and (chiefly Colonial and foreign) municipalities and companies, are represented by "bonds to bearer" or "bearer bonds." Bearer bonds are certificates representing round amounts, such as £20, £100, £500, £1,000, and so on, of the loans to which they refer. The name of the holder does not appear on them, and they are, therefore, transferable by simple delivery without the execution of any deed of transfer. Part of each bond is divided into "coupons," each of which represents a half-yearly (or sometimes quarterly, or annual) instalment of the interest payable on the bond. These coupons must be cut off and be presented, as each becomes due, at the bank or other place where they are payable. They have usually to be left three days for examination, at the end of which time the person presenting them will be given, on application, a cheque or draft for the amount, less (in the United Kingdom) the income tax payable thereon. Ordinary and preference shares are also occasionally represented by bearer certificates with coupons attached, similar to bearer bonds. In this case, the date of payment and the amount payable depend on the declaration of the dividend by the directors of the company, and cannot thus be stated on the coupons. The coupons are, therefore, numbered; and when a particular coupon is to be paid, the company advertises the number and the rate and date of payment.

Bearer bonds have come rather more into favour in recent times because they can be transferred with less trouble than registered stocks and without the expense of transfer deeds. They have, however, the disadvantage as compared with the latter, that they can rarely be recovered if lost or stolen. It is usual, therefore, to deposit bearer bonds for safe custody with the banks, which undertake, usually without charge, the task of keeping them and of cutting off and collecting the coupons as they mature.

American Share Warrants. Most American companies adopt an ingenious combination of the registered and bearer certificate for their common and preference shares. These certificates are similar to English registered certificates, and bear on the face the name of the registered holder. On the back of the certificate, however, is a form of transfer which may be signed by the holder in the presence of a witness, without inserting the name of a transferee. They can then be transferred by simple delivery, any purchaser being at liberty, if he wish, to insert his name in the blank space, and have the transfer registered and a fresh certificate in his own name issued. The chief difficulty which arises in connection with these warrants is that the dividend is, of course, sent to the registered holder. This difficulty is obviated by the Stock Exchange rule, by which only those warrants are accepted as "good delivery," which are registered in the names of well-known firms of brokers or bankers. The dividend can then easily and safely be claimed from the registered holders, who make a small charge for receiving it and paying it over. The banks likewise make a small charge for collecting the dividend on those shares, in view of the trouble involved.

COMMERCIAL LAW

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LESSON XIII.

SALE OF GOODS (*continued*).—**Transfer of Property.** It is most important to determine when the property in goods passes, because if any loss or destruction occurs, it is the owner who must bear the same. The general rule is when the goods are specific and ascertained, the property in them passes at the time the parties intend. This is generally coincident with the making of the contract. But if the goods are not ascertained, that is, if they are not made and ready for delivery, or if they are a part of a bulk and a separation has to be made, the time of transfer cannot be fixed except from the intention of the parties, although the Act does supply certain rules which serve as a guide when that intention is not set out. These rules may be summarised as follows—

(1) When there is an unconditional contract for the sale of specific goods ready for delivery, the property passes when the contract is made.

(2) When something has to be done to make the goods ready for delivery, the property passes when the work has been carried out and notice has been given to the buyer.

(3) When goods are sold " on sale or return," the property passes as soon as the buyer signifies his adoption of the transaction by approving of the goods, or by detaining them for so long a period as to raise a presumption that he has approved of them.

These three rules apply to the sale of goods which are actually in existence. If the goods have subsequently to be made or acquired, the property in them will not pass until the goods are in existence and have been unconditionally appropriated to the contract by one of the parties with the consent of the other.

Transfer of Title. It is not of much value to the buyer to get goods unless he has a safe title to the same, that is, unless he has a legal right to hold them as against the whole world. It is a maxim of law that no person can give a better title to goods than that which he himself had.

Market Overt. There is, however, one peculiar and special exception to this right of the true owner to follow goods which have been stolen and are in the hands of any person to whom they have been transferred. If the goods are sold in " market overt," the buyer, provided he has acted throughout in good faith, obtains a good title to the goods which he has bought—even though the same are the proceeds of a felonious taking—unless the actual thief is afterwards prosecuted and convicted, when, by law, the property in the goods re-vests in the original owner. The phrase " market overt " means an open or a public market. All shops in the City of London are market overt for the purposes of their own trades, and beyond the limits of the city the name " market overt " is applied to particular places which are set apart for a market by grant or prescription. It is to be noted that the privilege of market overt does not extend to the purchase and sale of horses.

Performance of the Contract. Unless the case is one of immediate sale, when the property is immediately transferred and the price paid, the performance of the contract depends upon the terms agreed upon between the parties. It is then the primary duty of the seller to deliver the goods at the time arranged, and of the buyer to accept and pay for the same as agreed upon. If credit is to be given, it must be especially stipulated for, or it must be in accordance with the custom of the trade. It would be easy to elaborate the above, but the business man who desires to conduct his affairs on straightforward lines will have no difficulty in understanding how he can comply with the law. Just one word more on this point. It is the duty of the seller to deliver the exact quantity of goods ordered. If he delivers either more or less, the buyer is at liberty to refuse or to accept them, or to take the quantity ordered and return the rest. If he accepts them, he must pay for the quantity which he retains, whether more or less than the quantity ordered, at the contract rate.

Rights of the Seller. If the contract for sale is not carried out, the rights of the seller are either personal against the buyer or certain rights against the goods. The former include an action for the price of the goods and damages for non-acceptance. The latter are a lien on the goods, or the right to retain the same until the price is paid, a right to stop the goods when on their way to the buyer if the latter becomes insolvent, and a right of re-sale.

Rights of the Buyer. The general rights of the buyer include a personal action for damages against the seller for any breach of the contract of sale, for non-delivery, or for any breach of warranty. The damages are measured by the loss which the buyer sustains directly and naturally as the result of the failure of the seller to carry out his part of the contract. There is, however, another important right, that is, specific performance, and this arises when the goods, the subject-matter of the contract, are of peculiar value and cannot be obtained in the ordinary market. If the buyer makes out his case, the seller will be compelled, by the order for specific performance, to deliver the particular goods contracted to be sold by him.

COMPANY SECRETARIAL WORK

Continued from page 556

LESSON V.

LETTERS OF ALLOTMENT.—These are forms notifying the applicant that a certain number of shares has been allotted to him, and requesting payment of the amount due on allotment. The letter of allotment must, before being signed, be stamped with an *impressed* stamp, the amount of the duty being as follows—

	£	s.	d.
If the nominal value of the shares is *under* £5	0	0	1
If the nominal value of the shares is £5 or more	0	0	6

If the bankers' receipt for the amount due on allotment is appended to the allotment letter, it is not necessary that the receipt should be separately stamped.

LETTER OF REGRET.—Where the issue has been over-subscribed, it is likely that, for reasons previously stated, many applicants will receive no allotment whatever. In that event, a Letter of Regret will be sent to each such applicant, informing him that the directors have been unable to allot to him any shares, and enclosing the company's cheque for the amount of deposit paid on application.

Where the applicant receives allotment of a smaller number of shares than he applied for, the amount of excess application money is usually carried forward and credited to him in respect of the amount payable on allotment. If the actual allotment bears such a small proportion to the number applied for as to leave a surplus on application still available, the surplus is usually returned to the applicant with the allotment letter.

COMMENCEMENT OF BUSINESS.—While these operations have been in progress, the company, unless a private company, has not really been in a position to commence business in the ordinary course of trading, and any contracts which it may have entered into are merely provisional. Before a public company can commence business, the following requirements must be complied with—

1. The "minimum subscription" must have been allotted. If the company does not receive *bona fide* applications amounting in all to the "minimum subscription" mentioned in its Memorandum or Articles and disclosed in its prospectus, it may not allot any of its shares to the public.

2. Every director must have paid, on the shares constituting his "qualification," the same proportion as is payable on application and allotment of those shares which are issued to the public.

3. A statutory declaration by the secretary or one of the directors, to the effect that the foregoing requirements have been complied with, must be filed with the Registrar.

When these provisions have been observed, the Registrar will issue a certificate to the effect that the company is entitled to commence business; whereupon any contracts previously entered into by the company will become binding upon it without further formality.

RETURN OF ALLOTMENT.—Section 88 of the Companies (Consolidation) Act, 1908, requires that, within one month after the making of any allotment of shares, a return of such allotment (bearing a 5s. registration stamp) must be filed with the Registrar of Companies. This return must contain the number and nominal amount of the shares allotted, the amount payable on each share, and the names, addresses, and descriptions of the allottees.

STATUTORY MEETING.—When the company has become thus entitled to commence business, it must, not less than one calendar month, nor more than three months, thereafter, hold what is called its "Statutory Meeting." This is a general meeting of the shareholders which is held in order that they may see how far the flotation of the company has been successful in its initial stages, and that they may obtain any special information they may desire. With the object of assisting the shareholders in this respect, the secretary will, except in the case of a private company, send to each shareholder at least seven days prior to the date of the meeting (which, of course, must be properly convened by notice to every shareholder), a document called the "Statutory Report," signed by two directors and verified by the company's auditors, containing a summary of the shares issued and of the capital received, and how it has been expended; and a copy of this Report must be filed with the Registrar of Companies. During the statutory meeting there must also be available for inspection a list showing the name, address, and description of every member of the company.

CALLS.—In due course the company will usually find it necessary to call upon the shareholders to pay up on their shares other sums in addition to those already paid on application and allotment; and the making of these "calls" will be found to be dealt with in the Articles, which usually give power to the directors to make calls at any time by passing a resolution to that effect, and on giving, say, fourteen days' notice to the shareholders. The resolution will probably be in the following form—

Resolved—

"That a call of five shillings per share upon all the shares of the company be and is hereby made,

Allotment Letter with Receipts for Amount due on Allotment and for Payment in Full.

ALLOTMENT LETTER

If £5 or over, 6d. Stamp.
If under £5, 1d. Stamp

Space for Name and Address of Allottee, to be filled in by the Company.

No. .....

IMPERIAL TRUST, LIMITED,
983 CORNHILL,
LONDON, E.C.

.....19..

ISSUE OF SHARES OF

SIR OR MADAM,

In response to your application, you have been allotted ——— Shares of £ ——— each / £ Stock *or Bonds* of the IMPERIAL TRUST, LIMITED.

The amount payable on Application and Allotment (viz., ——— per Share) / ——— per cent.) is £

You have already paid .. .. ———

Making amount due from you on Allotment .. .. .. £ ———

or

Making amount due to you, for which a cheque is enclosed .. £

Payment of the amount due from you should be made on or before the as directed below.

(Further particulars as to payment in full, instalments and other matters can be inserted here as required.)

By Order of the Board,

Secretary.

This Form, with remittance, must be forwarded entire to the Company's Bankers, the Bank of London, Limited, 83 Lombard Street, London, E.C., who will return it duly receipted. It should then be carefully preserved to be exchanged for the relative Certificate (or Scrip) in due course. Notice of such exchange will be given by the Company (by advertisement).

Cheques should be made payable to BEARER and crossed NOT NEGOTIABLE.

If altered from "Order" to "Bearer" the alteration should be signed by the Drawer.

Received *for account of the* IMPERIAL TRUST, LIMITED, *payment in full on the above-mentioned* *Shares.* / *Stock.*

For BANK OF LONDON, LIMITED,

———
Cashier.

Date ——— 19..

Received *for account of the* IMPERIAL TRUST, LIMITED, *the amount due on allotment.*

For BANK OF LONDON, LIMITED,

———
Cashier.

Date ——— 19..

PAYMENT IN FULL. *No.*———
IMPERIAL TRUST, LIMITED.

£ ———

Date ——— 19..

ALLOTMENT. *No.*———
IMPERIAL TRUST, LIMITED.

£ ———

Date ——— 19..

[FORM OF LETTER OF REGRET.]

SIR,

I am desired to express the regret of the directors that they are unable to allot to you any Shares in this Company in response to your application dated----------

I enclose an order on the Company's Bankers for £-------- (being the amount of your deposit) and shall be glad if you will sign the Form of Receipt at foot hereof and present the cheque for payment with the original Bank Receipt attached thereto. No other acknowledgment is necessary.

Yours faithfully,

Secretary.

No.----------

LONDON----------19

To Messrs.---------- & Co., Bankers, ----Cornhill, London.

Pay to----------Esq., or order, on the Receipt at foot hereof being signed, the sum of----------pounds.

Impressed Stamp 2d.

Not Negotiable

For and on behalf of The----------Co., Ltd.,

Director.

Secretary.

RECEIPT.

RECEIVED from The----------Company, Ltd., the sum of---------- pounds being the deposit paid by me on an application for----------shares.

£----------

Receipt Stamp.

----

and that the shareholders be requested to pay such call to the Company's Bankers on or before.... day of....., 19 .."

Upon the passing of the resolution, it will be the secretary's duty to send out immediately to every shareholder a notice of the call. This is simply a printed notice informing the shareholder that the directors have, in accordance with their powers, made a call of ..... per share, setting out the total amount payable by the shareholder, and requesting that payment be made to the company's bankers on or before a specified date. The form of bankers' receipt is appended at the foot, as in the case of the application form and allotment letter; and on payment of the amount, the shareholder will send in to the secretary his share certificate and call receipt, in order that the certificate may be endorsed with a memorandum of the call.

This memorandum will take the following form—

I hereby certify that the further sum of £..... has been paid on the Shares represented by this certificate.

For and on behalf of the .....
..... Company, Limited,
.....,
Secretary.

Dated....., 19 ..

INTEREST ON CALLS.—If the shareholder neglects to pay the call on the due date, he usually becomes liable, under the Articles of Association, to pay interest at a given rate—usually a fairly high one, say, 10 per cent.—upon the amount outstanding; and if the call is not paid within a reasonable time of the due date, a reminder to this effect should be sent to the defaulting shareholder, with a request for immediate payment.

FORFEITURE OF SHARES.—If the shareholder still neglects to pay the amount due from him, and the directors are unable to bring him to any satisfactory arrangement, they may fall back upon their power of forfeiture. This power, however, is not a statutory one, that is to say, it is not given by Act of Parliament; and, therefore, it may only be exercised when the Articles expressly give power to forfeit. If the Articles do give such power, they will also lay down the conditions under which it may be enforced; and any provisions laid down must be rigidly followed, otherwise the forfeiture is liable to be invalidated. Proper notice must be given to the shareholder to the effect that if the call, together with any outstanding interest, is not paid on or before the date specified, the directors will proceed to declare the shares forfeited. When the period allowed by the notice has expired without any payment by the shareholder, the secretary will report the matter to the next meeting of the board, and the directors will then, if they think fit, pass a resolution of forfeiture as follows—

Resolved—

"That the twenty Ordinary Shares of one pound each, numbered 1321 *to* 1340 *inclusive, whereon the sum of five shillings per share has been paid, and which were at the date of this resolution standing in the name of Arthur de Faulter, be, and the same are hereby forfeited to the Company for non-payment of the call of five shillings per share made on the day of , 19 ; and that the said shares be disposed of as the directors shall think fit."*

RE-ISSUE.—When the resolution has been duly passed by a quorum of directors at a meeting properly held, the shares may then be disposed of to any other person, and the amount paid by the former shareholder becomes forfeited to the use of the company. In so re-issuing the shares, the directors may either require the new holder to pay the full nominal price for them, or they may allow him a discount or reduction not exceeding in amount the sum actually received from the former shareholder. At first sight, this would appear to be the issue of shares at a discount, which, in an earlier lesson, was stated to be illegal. So far as the new shareholder is concerned, it certainly is equivalent to a discount; but so far as the company is concerned it is not, for the company will still receive the full 20s. in the £ in respect of the shares, and that is the only matter in which the law is interested.

BOOKS OF A COMPANY.—In addition to the ordinary books of account which must be kept by every business undertaking, every registered company finds itself under the necessity of keeping certain other books. These additional books may be divided into two classes, viz.—

(*a*) Those which it is compelled to keep, under the provisions of the Companies Act. These are five in number—

(1) The Register of Members;
(2) Minute Books;
(3) Register of Mortgages and Charges;
(4) Register of Managers or Directors;
(5) Register containing the Annual List of Members; and Summary of Capital and Shares.

(*b*) Those which, though not rendered compulsory by law, are nevertheless necessary to enable the company to carry on its business efficiently.

Among these may be mentioned the Directors' Attendance Book, Register of Transfers, Agenda Book, Register of Documents, etc.

It is not possible in the present work to go fully into the details of the whole of these books, the general scope of which is fairly well indicated by their respective titles; but the Register of Members, by reason of its especial importance, is worthy of detailed mention in our next lesson.

THE MONEY MARKET

Continued from page 559

LESSON II.

DISCOUNT HOUSES.—The discount houses are nothing more or less than glorified bill-brokers. They command larger capital, and their credit is sufficiently sound to enable them to attract deposits by offering a rate slightly higher than that paid by the joint stock banks, upon whom they do not require to lean to the same extent as the bill-broker. Possessing larger resources than the latter, they are enabled to hold their bills until maturity, instead of re-discounting them with the joint stock banks.

ACCEPTING HOUSES.—One of the branches of the business of the joint stock banks to which reference has not yet been made is that of accepting bills on behalf of customers. This practice has been dealt with in the Lessons on the FOREIGN EXCHANGES. It will, therefore, be sufficient to explain here that the merchant arranges with the banker to accept bills on his behalf because the banker's credit is undoubted throughout the whole financial world, and a bill bearing his acceptance will present no difficulty in negotiation.

THE BANK OF ENGLAND.—The various financial houses and individuals enumerated above have each their essential place in the money market scheme. But the most powerful factor—indeed, one may call it practically the controlling force—of the money market is the Bank of England. To understand its unique and commanding position, it will be necessary for us to glance briefly at its history, and to examine the rules which regulate its working.

The Bank of England was the first joint stock banking association established in this country. It received its charter of incorporation in 1694. Its first objects were to raise £1,200,000, to lend the whole of this sum to the Government, and to issue notes (guaranteed by Government) to that amount. It is interesting to note that this loan to the Government was the beginning of the English National Debt.

In 1708 an Act was passed making it unlawful for an association of more than six persons to carry on the business of banking. The effect of this enactment was to give the Bank of England a monopoly of joint stock banking in this country. The Act was repealed in 1826; but there was reserved to the Bank of England the privilege of being the only joint stock bank, having an office within sixty-five miles of St. Paul's, with power to issue notes.

In 1844 came Sir Robert Peel's famous Bank Charter Act. By this Act the note-issue of the Bank of England was entirely separated from its banking business, and its fiduciary issue of notes (i.e. the notes which it might issue against a deposit of securities, and not actual cash) was restricted to £14,000,000, this being regarded (by taking the average of previous years) as the lowest figure to which the notes in circulation might be expected to fall. On the forfeiture of its issue by any other bank, the Bank of England was authorised to increase its fiduciary issue to the extent of two-thirds of that forfeited. In this way the figure has since been increased to £19,750,000.

Bank Return. The Act of 1844 compels the Bank to issue each week a species of Balance Sheet, known as the Bank Return. This comes before the directors of the Bank on Thursday morning, and is afterwards made public. It is to be found on the financial page of the morning newspapers every Friday. The specimen given on the next page shows a Return, and an analysis of the figures is given below.

Issue Department. The items given under this heading, relating to the Bank's separate department for the issue of notes, are readily understood. On the one side we have "Notes issued" £181,116,640, representing the total amount of notes in circulation at the date of the return. Against this, on the other side, we have, in the first place, the Government's book-debt to the Bank of £11,015,100. Next, we have "other securities," £8,734,900, the two items together making a total of £19,750,000, the amount of the Bank's fiduciary issue of notes. Thus, the Government guarantees the issue to the extent of its debt to the Bank, which is permitted to hold convertible securities for the balance of the authorised issue of £19,750,000. We have already noticed that the original limit fixed by the Act of 1844 was £14,000,000; this limit has been increased to the present figure by the lapse of the issues of various private banks, the Act permitting the Bank of England in such cases to increase its fiduciary issue to the extent of two-thirds of the forfeited issue.

The remaining item of "gold coin and bullion" (£161,366,640) represents the metallic equivalent of the notes issued in excess of the limit of £19,750,000 authorised against securities, and which the Bank is compelled to keep in its safes expressly for the purpose of meeting such notes. Silver bullion is never kept, as the Bank may not legally tender silver in payment of its notes.

Banking Department. The first item—"Proprietors' Capital," £14,553,000—represents the shareholders' capital invested in the business.

BANK OF ENGLAND

An Account pursuant to the Act 7 and 8 Vict. cap. 32, for the Week ending on Wednesday, the 26th day of August, 1925.

Issue Department.

Notes issued	£181,116,640	Government debt	£11,015,100
		Other securities	8,734,900
		Gold coin and bullion	161,366,640
		Silver bullion	—
	£181,116,640		£181,116,640

Banking Department.

Capital	£14,553,000	Government securities	£35,414,033
Rest	3,615,877	Other securities	70,114,076
Public deposits [1]	21,812,962	Notes	36,849,770
Other deposits	104,218,070	Gold and silver coin	1,827,582
Seven-day and other bills	5,552		
	£144,205,461		£144,205,461

The cryptic item "Rest" (£3,615,877) is the Bank's reserve fund of undivided profits. This fund is never allowed to fall below £3,000,000. "Public Deposits" (£21 812,962) is a somewhat misleading item. It does not refer to the deposits of the general public, but is the total of the various balances standing to the credit of the Government. The item "Other Deposits" (£104,218,070) gives the total of the deposits of all the other customers of the Bank, and includes the balances to the credit of the great joint stock banks.

The final item on this side of the Return shows the Bank's liability on bills.

The other side of the Return gives us the assets of which the Bank is possessed as against its liabilities. The first item ("Government Securities," £35,414,033) shows the Bank's holding of Consols, Treasury bills, etc. The second item ("Other Securities," £70,114,076) includes the Bank's holding of Colonial stocks, railway debentures, and so forth, and also the sums due to the Bank by bill-brokers and others who have borrowed against security. The last two items ("Notes," £36,849,770; "Gold and Silver Coin," £1,827,582) show the reserve of actual coin and notes which the Bank holds to meet the liabilities of its banking department.

Examination of the Bank Return for a succession of years shows that certain of the items vary considerably from time to time. A clear conception of these variations—both regular and irregular—and the forces controlling them, will help the student to master the intricacies of the money market.

The variations of the note issue are regular and of small importance. The figures increase at the end of the quarter owing to the use of the note for payment of salaries; there is also an increased circulation in the holiday season, notes being used where cheques would not be readily negotiable. The only circumstance under which an increase in the note issue can affect the money market is that of country banks in times of financial unrest converting securities into cash to increase the reserve in their tills, such reserve taking the form of notes. The result would be an immediate rise in the rate for borrowing money.

A review of the weekly totals of Public Deposits throughout the year shows that the highest figure is invariably reached towards the end of March. Thereafter there is a steady drop until November, varied only by slight and unimportant rises. The reason for this is to be found in the fact that the greater portion of the national taxes are paid in the March quarter, thus enormously swelling the balances to the credit of the Government. At the end of March the Government invariably makes heavy payments, and there is consequently in April a big fall in the Public Deposits. The payment of dividends at the beginning of the year is a drain on the Government balances, but from the end of January to the end of March public income exceeds expenditure by millions.

[1] Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts.

INSURANCE

Continued from page 563

LIFE ASSURANCE (*concluded*).

LESSON III.

DISTRIBUTION OF SURPLUS.—After an office has ascertained the amount of surplus and decided how much shall be divided amongst its with-profit policyholders, the next step is to carry out this apportionment.

A distribution of cash seems the most obvious plan, but this is rarely practised, the great majority of offices making a percentage addition to the sum assured under each with-profit policy for each year the policy has been in force since the last valuation. For example, an office may "declare a bonus," as it is termed, on its with-profit policies at the rate of £1 10s. per cent. per annum. If the bonus percentage is reckoned on the original sum assured only, it is described as a "simple bonus," or, more completely, as a "simple reversionary bonus." If it is calculated on the sum assured plus any existing bonus additions, it is termed a "compound reversionary bonus." All other things being equal, a compound bonus is clearly more remunerative to the policyholder than a simple bonus. Taking a valuation period of five years, the declaration of a reversionary bonus at the rate of £1 10s. per cent. per annum at each valuation and a policy originally assuring £2,000, the increasing superiority of the compound method over the simple method is shown in the following table—

Years completed since entry—	Sum Assured and Added Bonus:	
	Simple Bonus.	Compound Bonus.
	£	£
5	£2,150	£2,150
10	£2,300	£2,311
20	£2,600	£2,670
30	£2,900	£3,086

A few offices allot the profits in the form of a reduction in the premiums payable, either during the next few years, as, for example, five, or the whole future currency of the assurance.

The offices which originally divide their profits by the reversionary bonus method do not, as a rule, bind the policyholder to retain his share of the profits in this form. They are prepared to allow him to "surrender" the bonus to the office for a smaller sum in cash representing its present value, or, alternatively, to exchange it for a reduction in the premium payable under the policy.

On account of the comparatively heavy expense incurred by the office in obtaining a policyholder, as compared with the cost of management in later years, some offices do not allot any bonus at all in respect of the first year of assurance; while others stipulate that if the life assured shall die within the first three, four, or five years, as the case may be, the bonus which has been allotted to the policy shall not be payable, but only the original sum assured. On death occurring after this preliminary period has expired, the bonuses allotted from the commencement of the policy are payable along with the original sum assured. In such a case the bonus is said not to "vest" until the stipulated number of years from entry has expired.

It must be said that with many offices their bonuses vest immediately, a vested bonus being added to the sum assured for each premium paid, so that even should death occur immediately after the first year's premium was received by the office, the sum assured plus a year's bonus would be paid by it.

When a claim arises under a with-profit policy between two successive valuations, a question arises as to the rate of bonus to be allotted to it for each premium paid since the last declaration of bonus; but, practically, this is settled at each valuation by the office stating what the "interim" bonus shall be for the prospective inter-valuation period. It is usually at a rate either equal to that just declared or, in some cases, rather less.

SURRENDER VALUES AND FREE POLICIES.—It sometimes happens that a policyholder is unable or unwilling to continue payment of premiums, and in such a case the office will generally make a certain return in cash to him or grant him a new and reduced assurance free from any premium payment. The cash payment is called a "cash surrender value"; and the alternative policy granted, a "free policy."

It is no uncommon occurrence for a life office to receive an application for a return of all the premiums paid, by way of a surrender value, on the ground that as the life has not failed the office has not lost anything under the contract. But this argument totally ignores the basis of assurance, which is, that the small contributions of the many should provide larger sums for the comparatively few; or, in other words, the premiums paid by those who survive any year, or series of years, have to contribute to the claims paid under those policies which fall in during the same period.

Clearly, then, if the annual premiums paid under a group of policies were only just sufficient to provide the claims arising under the same group in the course of a year, no surrender value could

be paid to the survivors; and it is only because of the system in vogue by which a fixed "average," or "level," premium is charged for a risk which increases yearly, that offices can grant surrender values to people who choose to discontinue their policies. In the earlier years of all the common forms of life assurance contracts, after deducting the monetary cost of the year's death risk from the premium paid, there is a balance left to be accumulated by the office against the later years, when the cost of assurance for one year will be greater than the annual premium. This accumulated fund, which may be likened to a savings account, to be used for the benefit of the assured when his premiums become insufficient in themselves to defray the current cost of assurance, is the only source whence a payment can be made to him on his abandoning the assurance. This fund, which is obviously zero just before the commencement of the assurance, increases steadily with its duration, under all the usual plans, and is technically known as the "reserve," or, from another point of view, the "liability." It is the amount the funds of the office are *liable* for on an actuarial valuation being made, and, therefore, is the sum the office should have in *reserve*.

In practice, the whole of the actuarial reserve is not paid out on a policy being surrendered. Usually no account is taken of the saving out of the first year's premium, as it is considered that the heavy initial expense of putting the policy on foot has at least absorbed the difference between the cost of the year's assurance and the premium paid; and the rate of interest the reserve is calculated at is usually higher than that assumed in the valuation, the effect being to bring out a smaller value. (See *Valuations*.) A proportion, ranging from 75 per cent. upwards, of the reserve so cut down is usually allowed, but only, in the majority of cases, when three or more years' premiums have been paid. There is no surrender value for one premium paid only, but a few offices will make an allowance on two years' premiums being paid.

If the alternative option of a free policy is chosen, the amount assured by such policy is obtained by converting the cash surrender value into an equivalent sum, obviously larger, which will be payable on the same conditions as those of the abandoned policy. Under whole life policies subject to a limited number of payments and endowment assurances, it has become the general practice to allow as a free policy that proportion of the sum assured which the number of premiums paid bears to the total number payable. Thus, supposing a 25 year endowment assurance policy for £2,000 to be abandoned when 5 years' premiums have been paid, the free policy granted will be five twenty-fifths of £2,000, or £400. Any bonus attached to the original policy will pass over to the free policy; but, as a rule, free policies do not participate in future profits. This manner of calculating the free policy is readily understood by the public, and does not give values differing very materially from those obtained by more scientific methods.

INDUSTRIAL ASSURANCE.—Another form of assurance which differs considerably from ordinary assurance is industrial assurance, the special feature of which is that the premiums are collected weekly or monthly by the staffs of the assurance companies. Most of the policies taken out under this form of assurance are whole-life policies, the average amount for the policy being a little over £10, and the average weekly premium about 2d. The medical examination of the assured is not required, and the companies rely on the report of their own officers; though there is generally a proviso in the contract that the full sum assured shall not be at risk immediately a policy is effected. Although it is usual to pay industrial premiums weekly, a considerable monthly premium business is transacted, the assured obtaining rather more assurance for the same expenditure owing to the reduction in the expense of collection.

A certain amount of endowment business is done on industrial policies, and they are useful in supplying the means by which people with limited incomes can, by taking out an assurance payable at the age of 14, provide for the expense incurred in apprenticing or otherwise starting a boy in a trade or business. As a rule, industrial policies do not carry right to a cash surrender, but instead free policies are granted if the premiums are discontinued, provided that at least five years' premiums have been paid. The following statement based on figures taken from a blue book published recently, gives an idea of the volume of industrial business transacted. The number of existing policies was approximately 37½ million, representing an assured sum of nearly £429,000,000. The annual premium income from these policies was about 17¼ million pounds, while the annual claims amounted to almost 7¼ million pounds.

DEATH OF ASSURED.—The onus of proof of death rests upon those beneficially entitled to the policy, and adequate evidence must be tendered. In some instances difficulty occurs where the original assured has assigned his beneficial interest to a purchaser or mortgagee. An assured, for example, may have proceeded abroad and no intelligence may subsequently have been obtained of him, in which case a presumption of death arises at the expiration of seven years from the date of final disappearance.

In discharging the claim the company is entitled to delivery of the policy; it does not follow, however, that inability to produce the document interposes any serious difficulty in a settlement. For example, it may be proved that the policy was unwittingly burnt or destroyed, or became missing consequent upon removal from one residence to another.

LEADING INDUSTRIES

Continued from page 564

LEATHER

IMPORTANCE.—It is not generally recognised how important the leather trade is in this country, though in fact it occupies the sixth place amongst our industries. And there is no doubt that with proper care and attention devoted to it a further advance might easily be made. There are no two opinions as to the complexity of the trade itself, but that makes it all the more clear how great must be the prospects of success in it for ambitious young men with scientific tastes and training. Much still remains to be discovered, and it is a hopeful sign of the times that one of our modern Universities, Leeds, is giving special attention to the practical part of this business.

HISTORY.—In all probability the evolution of the ancient art of tanning and dyeing skins will never be known. The skins and hides of various animals have been utilised for many purposes from the earliest ages ; but it is obvious that at an early stage some methods must have been known by which it was possible to preserve them from decomposition and putrefaction. In all probability these methods were discovered accidentally. In point of fact until about thirty years ago the development of the industry was much more due to accident than to purpose. Long before the Christian era the Egyptians had succeeded in bringing the manufacture of leather to a remarkable state of perfection, and there are specimens of their workmanship in existence, over 3,000 years old, with the colour and the natural strength of the leather unimpaired. The Japanese were also excellent in respect of this kind of work. Probably the secrets of the ancient methods have been lost, because the records of the leather trade of three hundred years ago show that the tanning was done in a very rough and ready manner. But a great change has taken place in the last few years, and the successful application of the chrome tanning process has caused quite a revolution.

SUPPLY OF RAW MATERIAL.—Unlike any other industry of appreciable size, the leather trade is dependent for its principal raw material on a by-product, namely, the hides and skins of cattle, sheep, pigs, and, to a small extent, various other animals, and even fish. In a technical sense the term " hides " is applied to the coverings of oxen and the larger type of animals, while the term " skins " is used to denote those of the smaller animals, such as sheep, goats, etc. " Kips " are hides from young cattle which are not fully developed, but have passed their existence as calves. Each country—for to a certain extent every country manufactures some leather for itself—utilises the skins and hides obtained from the local slaughter-houses, but enormous quantities are exported from well-defined centres, especially Australia, South America, and South Africa. These are, in the main, the hides and skins of oxen and sheep. Buffalo hides are exported from the East Indies, horse hides are obtained from South America, and goat skins and kid skins from South Africa, Switzerland, and Asia Minor. A large part of the imported skins and hides is sold by public auction in Mincing Lane.

PREPARATION OF LEATHER.—The first thing to be done with the hides is to rid them of all blood, salt, and other extraneous substances. This is effected by steeping them in water and allowing them to soak for some time. The hair is next loosened and removed, and whatever fat remains is taken away by the action of lime-water and sulphide of sodium. In America, instead of steeping the hides in pits a method of sweating is adopted. The next process is to stretch the hides so as to open the pores and make the material capable of absorbing the tannin. They are then placed in a solution containing the tanning substance to be used, which is made stronger and stronger as time goes on. After remaining thus steeped for some weeks the hides are carefully drained and dried. The utmost care is necessary in drying, since the quality of the leather largely depends upon it. The finishing touches, such as graining and smoothing, are supplied by very efficient machinery. Space forbids any detailed account of the tanning substances which are available for this work, or of the chemical changes effected by them. Just as there are periodic public sales of hides and skins, so there are regular public sales—twice a month—of leather in London. There are also quarterly leather fairs at Leeds in January, April, July, and October.

VARIETIES OF LEATHER.—There are various special kinds of leather, each requiring special preparation, and each utilised for special purposes. The principal of these varieties are (1) morocco leather, which is made of the skins of goats tanned with sumach, (2) roan leather, made of sheep skins treated in a similar manner, (3) russia leather, a smooth, brownish-red leather, which owes its peculiar odour to the oil of birch bark with which it is impregnated, (4) chamois leather, a particularly soft variety, now generally prepared from sheep skins by treatment with oil alone, although the finest leather is still prepared from the skin of the chamois, (5) buff leather, made from ox or cow hides, and (6) patent leather which is ordinary leather treated with a special varnish.

Photo *Elliott & Fry*

SIR SAMUEL BARROW, J.P

Chairman of Barrow, Hepburn & Gale, Ltd.

(1437) *Cet. pp* 614 *and* 615

IMPORT TRADE

Continued from page 474

LESSON II.

WARRANT.—When the importer wishes to take delivery of a part or the whole of a consignment, he must take out a Warrant for Wet or Dry Goods for Home Consumption, as the case may be. This form, which is in three parts, is issued by the Customs authorities. (See inset.)

TRANSHIPMENT.—Merchandise is frequently merely shipped to a British port for transhipment to elsewhere. In such cases, a Transhipment Entry must be passed. Non-dutiable or free goods are dealt with in the same manner as free material for use in this country; but in the case of dutiable cargo, a Warrant and Delivery Order must be handed to the Customs officer, together with a Shipping Bill, a Bond, a Transhipment Delivery Order, and a Bond Note for Transhipment and Exportation.

RESTRICTIONS ON IMPORTING.—Some goods are not allowed to be imported into this country at all, whilst there are others which come in only under certain restrictions. Chief among the first category are certain substances of an explosive nature, extracts or concentrates of chicory, coffee, tea, tobacco, and infected animals; and among the second category, acetylene, addressed envelopes, and dogs. Amongst other things, the Customs authorities are entitled to confiscate or detain goods which do not show where they have been manufactured.

DELIVERY ORDER.—When all the Customs formalities have been complied with, a Delivery Order must be obtained from the shipping company. The Bills of Lading must be produced, duly indorsed and in order, before a Delivery Order will be granted.

There are several more forms incidental to import transactions, but all the more important ones have been given here. All the Customs forms bear their titles, so that no mistake need be made as to which forms to fill up.

FINANCING.—Bills of Exchange. Amongst the various methods adopted in paying for goods is that of payment by "Bills of Exchange." Bills of exchange in this country are governed by the Act of 1882, Section 3 of which gives the following definition—

> "A bill of exchange is an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay, on demand or at a fixed or determinable future time, a sum certain in money to, or to the order of, a specified person, or to bearer."

The person *by* whom the bill is so addressed and signed is called the "drawer"; the person *to* whom it is addressed is called the "drawee"; the person to whom, or to whose order, the money is to be paid is called the "payee." "Draft" is another term for bill of exchange; and when a bill is accepted, it is commonly called an "acceptance," and the drawee who has accepted the bill is then called the "acceptor." No special form of words is necessary, provided that an "unconditional order" is expressed, and a bill may be drawn in any language or in any currency. It may be made payable "on demand" ("at sight" or "on presentation" are equivalent terms), or at a fixed or determinable future time, such as, for instance, "on the 31st December next" or "three months after date" (that is to say, three months from the date on which the bill is drawn), or "at ninety days' sight" (that is to say, ninety days from the date on which the bill is accepted or refused acceptance).

DELIVERY ORDER.

THE ORIENT STEAM NAVIGATION CO., LTD.

To the Master Porter, Tilbury Docks.

Please deliver to_____

the following goods ex *s.s. "Orsova"* from *Perth, Australia.*

J. J. & Co 1/90	90 *bales*	*Cotton*

ORIENT STEAM NAVIGATION CO., LTD.,

per _____

COMMERCE

Continued from page 569

XIII.

IMPORT TRADE.

The import trade of this country naturally divides itself into two parts. These may be called (*a*) the things we must import; and (*b*) the things we may import.

The Great War taught our men in authority to state the definitions of these classes with the precision of an exact science. In war time, some of the "may import" class are marked "must not import," and the other class is swelled up beyond recognition by enormous purchases of war material.

But in normal times the two classes define themselves.

In the first, there are food-stuffs. England does not grow enough wheat to feed her populations, and the two facts of millions of mouths here and miles of cornfields elsewhere make this class of importation a part of a natural law.

The great Liverpool importer knows well that his business is a wheel in a great machine; and on every one of his enterprises is written: "If I do not do it, someone else will." He cannot say, "England imported more wheat this year than last because of my efforts." His efforts are fractional in their effect compared with the influence of 40,000,000 mouths.

Meat, farm produce, leather, minerals, drugs, oil, and a hundred other kinds of articles are imported, not at the will of the importer, but at the bidding of national demand.

The man who enters this class of business has little need to make his market. It is already existent; and his business problem is how to divert the already flowing stream of commerce, so that more and yet more of it may flow through his office and warehouse.

In this endeavour he will probably be most successful if he can effect economies in transport and distribution. He thus becomes a benefactor to his country as well as a good minister to his own material wealth.

This is the right ideal of business enterprise, that personal profit should go hand in hand with public advantage.

This kind of an importer, having knowledge of public needs, will see where a new wharf, an altered siding, or an increased steamship service, will make for the cheapening of goods.

Incidentally, it will bring him profit as well—profit he deserves. (And here, in passing, the writer must admit that profit is not always contrived for in this way. Importers, like others in business, have not always been innocent of taking their parts in engineering "rings" and "trusts.")

The importers of the other classes of goods, those that a nation can do without, or has never heard of, or that require an artificial and cultivated taste, are faced by a different problem.

They must find or make their markets.

"What sells like greased lightning in Chicago, is going to sell like hot cakes in England," thinks an alert-minded merchant, contemplating the latest Yankee "boom."

He tries it, and it fails. But he will get a winner next time, as he did the time before last.

"I enjoyed my visit to Switzerland very much," said a one-time London clerk, "and it was very profitable. I found a chocolate factory that did no English trade. I came back as their London agent. The trade is a bit overdone now, but that gave me my start."

"But how did he work it? How do all these importers work? What capital is required?" asks the reader.

There are no two answers alike. The bulk of import business is cash against goods; but when a man has no capital, there are other ways of managing, if he can show the prospects of doing legitimate trade. In the case referred to, the Swiss firm was impressed with the personality of the caller and financed him.

In a somewhat similar case, a continental house permitted a London agent to control a stock of an agreed value. He could only sell for cash, as he had little capital. Yet he established a good business and became a prosperous man.

Usually speaking, capital is necessary for an importer. But foreign firms are like English firms, in that a sound proposition for new trade appeals to them.

An enterprising and topical mind is of great value to the importer, provided he has a reasonable sense of proportion. He should be swift to see the foreign articles that are likely to have a good permanent sale here, and be swift to seize the right time to get them on the market.

Already there has been noticed a bigger demand for certain French dainties, as a result of the War, when so many of our men served in France. Here is the importer's opportunity.

One other point.

The importer need never think he is disloyal to his own country by importing foreign goods. Differences between nations are always paid in goods; and, as fast as he brings foreign productions into this country, English houses will be sending out commodities to pay for them.

Probably also English shipping will get the advantage of both freights.

BOND NOTE FOR TRANSHIPMENT AND EXPORTATION.

Port of *Liverpool.*

BOND OFFICE, CUSTOM HOUSE,
20*th* day of *May*, 19..

Marks and Nos.		Values.	
		Duty Goods.	Free Goods.
E C A *D R G*	[1] *Six hundred bags Sugar*	£1,150	

[1] One article only to be entered on each line.

THIS is to certify that *Messrs. A. Nibb & Co.*, of *Blackfriars, Liverpool,* have given security as required by Law for the due Transhipment and Exportation of the undermentioned Goods, viz.:

Total Value of Free Goods only £

Amount of Duty, £119.

On board the (s.) "*Savana,*" for *Bussorah.*

The above Goods reported 15*th* day of *May*, 19.. ex the (s.s.) "*Ciceley.*"

Master, @ *Rotterdam.*

If under Ordinary Bond { Here state—
Name of the proposed Security *Mr. L. C. Clarke*
Address *Harrison Drive, Seaforth*

If under General Bond { Date of General Bond _____ Clerk of the Bonds
Signature of Exporter or Authorised Clerk or Agent _____ Bond. No.

KNOW ALL MEN by these Presents that We, *Leonard Charles Clarke, of Harrison Drive, Seaforth and Walter Reece, of* 15 *Grove Road, Bootle, both in the County of Lancaster* are held and firmly bound unto our Sovereign Lord George, by the Grace of God, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, Defender of the Faith, in the sum of *Four hundred* pounds of good and lawful money of Great Britain, to be paid to our said Lord the King, His Heirs and Successors, to which payment well and truly to be made, we bind ourselves jointly, and each of us severally, our heirs, executors, and administrators and every of them, firmly by these Presents. Sealed with our Seals. Dated this 20*th* day of *May* in the year of our Lord One Thousand Nine Hundred and

WHEREAS the above bounden *Leonard Chas. Clarke* has given notice of his intention to remove and export the following Goods, that is to say

E C A *Six hundred Bags Sugar, refined O.S. Ex.* 98°.
D R G

NOW THE CONDITION of this Obligation is such that if the said Goods and every part thereof shall be duly entered and cleared for Exportation; and shall within the time allowed by or by reference to the Regulations of the Commissioners of Customs for the time being in force, be duly and regularly transhipped from the import ship to the proper export ship, and shall be produced to the proper Officer of Customs at the Port of Exportation; and shall be duly exported to and landed at *Bussorah* within *three* months from the date hereof. And if, in case the said Commissioners shall require it, proof to their satisfaction shall, within such time as they shall allow, be produced from *Bussorah* aforesaid of such landing there of the said Goods, or if the said Goods though not shipped or not landed shall be otherwise accounted for to the satisfaction of the said Commissioners, then this Obligation shall be void, otherwise shall be and remain in full force and effect.

Signed, Sealed, and Delivered in the presence of

Leonard C. Clarke.

Walter Reece.

(1437) *bet. pp.* 616 & 617

SHIPPING BILL FOR TRANSHIPMENT GOODS ONLY.

Port of Liverpool.

In the s.s. "*Savana*" for *Bussorah* 20*th May*, 19

Exporter *A. Nibb & Co.*

Address *Blackfriars, Liverpool*

Reported inwards by the s.s. "*Ciceley*" from *Rotterdam, the 15th day of May*, 19 .

Thompson & Sons, Lightermen.

E C A	600 *bags Refined Sugar, O.S. Ex.* 98°
D R G	*containing* 1,200 *cwts.* £1,500.

Officer.

Date.

I declare that the quantity, description, and value of the goods entered in this shipping bill are generally correct.

A. Nibb & Co.,
Per L. C. Clark.
Exporter or Agent.

Received the above named packages on board this ship *22nd May*, 19

Master.

Countersignature of Officer of Customs.

Export Station and certificate of shipment to be inserted here

Officer.

19

N.B.—Lightermen or Carmen are particularly required to give immediate notice to the Export Examining Officer if any of the above-mentioned goods be shut out of the vessel, and on no account to take them to any other ship than the one above named without his permission.

I. WARRANT.—DRY GOODS, EXCEPT TEA AND TOBACCO, FOR HOME CONSUMPTION.

Collector's No. _____ | Warehouse, 12 *Salford* **8**

Date _____ | Number _____

Month and Year, *3rd April*, 19..

Ship and date of Importation or Customs Rotation and Year, (*s.*) "*Spot*" *24th March*, 19..

Bonder's Name *Black and White*

Register and Folio.	Number and description of Packages and Goods.	Imports. Marks and Nos.		Weight for Duty.
	Fifty bags refined Sugar, O.S. Ex. 98°	*B & W*		100 *cwts*

Officer.

Date.

Duty *Nine* pounds *three* shillings *four* pence. Duty £9 3 4

Black & White,
Manchester,
Name and address of Firm paying Duty.

Collector of Customs.

II. WAREHOUSEKEEPER'S ORDER.

Warehouse Number

To the Warehousekeeper at 12, *Salford* 8

You may deliver the undermentioned goods, provided that they are actually removed from the warehouse before any addition has been made to the duty chargeable.

Month and Year, *3rd April*, 19..

Ship and date of Importation, or Customs Rotation and Year, (*s.*) "*Spot*" *24th March*, 19..

Bonder's Name *Black & White*

Number and description of Packages and Goods in words.	Import. Marks and Nos.		Date of delivery to be filled in by the Warehousekeeper.
Fifty bags refined Sugar O.S. Ex. 98°	*B & W*		

Black & White
Name of Firm paying Duty.

Officer of Customs.

NOTE.—If the Duty is paid on Gross Payment Receipt this Memo is not required, and should be detached.

III. MEMORANDUM TO BE RETAINED BY COLLECTOR.

Collector's No. and Date.

Station *Salford* 8

Paid by *Black & White*

£	s.	d.
9	3	4

Description of Goods *Refined Sugar, O.S. Ex.* 98°

The duty always to be calculated with reference to the highest rated Articles contained in the Entry.

IV. FOR TRANSHIPMENT ONLY.

Bond Office, Customs,

20th day of *May*, 19..

THESE are to certify that *Messrs. A. Nibb & Co., Liverpool,* have given Security as required by Law for the due Transhipment of

E C A
D R G *Six hundred bags Sugar*

Total Value, £1,500.

Amount of Duty, £119.

On board the (*s.*) "*Savana,*" *G. Letts*, Master, for *Bussorah.*

Clerk of the Bonds.

The above Goods reported by *Hall Jones & Co., Ltd.,* the *15th* day of *May*, 19.., ex the "*Ciceley,*" *A. Brown*, Master, from *Rotterdam.*

TRANSHIPMENT DELIVERY ORDER.

To the Officer of H.M. Customs on board the *s.s.* "*Ciceley.*"

Send in charge of an Officer to be delivered into the custody of the proper officers at *Wapping Dock* for transhipment only on board the *s.* "*Savana*" for *Bussorah.*

Marks.	Nos.	Description.
E C A *D R G*		600 *bags Sugar.*

COMMERCIAL FRENCH

Continued from page 573

KEY TO EXERCISES IN PART 12 (p. 573).

1. The seller draws on the buyer and asks him to pay such a sum by (*or* at) such a date.
2. The banker gets information about the subscriber and advances the money.
3. He deducts (from it) the discount, that is (*lit.* otherwise called), the interest on the money till due.
4. I was counting (*or* relying) on large receipts in order to meet your drafts on me at the end of the present month.
5. We see that we have had no remittances from you for a long time past.
6. You will be good enough to see that these goods are packed in boxes in good condition (*lit.* to see to the packing of these goods in, *etc.*).
7. Being accustomed to this class of business we know what is expedient to be done (*or* what is the proper thing to do).
8. Nothing would be neglected to support the views of our representatives.
9. We have every occasion to believe (think) that the creditors will receive at least 47½ per cent.
10. I have to remind you that you are slightly in arrears (*or* behind-hand) with your remittances.
11. What is the difference between selling for cash and on credit ?
12. We have just set up a new limited company under the style of . .
13. We have fixed the price and he will deliver (me) the goods when the corn is reaped.

(N.B. Omit *que* in the French, or insert *ne* in addition and translate *only*.)

14. One can sell without actually having the products which one offers for sale.

1. *La cargaison d'oranges était très bonne ; nous en avons vendu mille caisses à claires-voies en peu de temps.*
2. *D'abord nous croyions que la laine serait invendable ; elle était tellement sale.*
3. *Nous l'avons mise en vente publique, et nous étions (tout) étonnés d'en obtenir un prix assez élevé.*
4. *Voulez-vous bien prier vos amis d'outre-mer de veiller à l'avenir au dégraissage des parties ?*
5. *Quel pays aimez-vous le mieux* (or *préférez-vous*), *la France, la Suisse ou l' Italie ?*
6. *Arrêtez l'expédition de la seconde livraison de pardessus ; les marchandises n'équivalent pas l'échantillon.*
7. *Nous renfermons* (or *envoyons ci-inclus*) *les copies de trois dépêches échangées* (or *télégrammes échangés*) *depuis notre dernière lettre.*
8. *L'estampille est arrivée ce matin, et nous nous en servirons* (or *nous l'employerons*) *pour les deux cents pièces de calicot écru.*
9. *Veuillez nous télégraphier à réception de la présente ; nous ne pouvons tenir que pour quatre semaines.*
10. *Retirez* (or *annulez*) *l'ordre* (*la commande*) *de la toile blanchie pour draps de lit ; nous ne pouvons payer le prix demandé.*
11. *L'ordre est impossible aux limites que vous mettez ; les prix sont de* 15% *plus hauts aujourd'hui.*
12. *Nous vous avons télégraphié hier matin, vous avisant* (or *pour vous aviser*) *de la hausse imprévue des prix de coton.*

LESSON XIII.

INDEFINITE PRONOUNS. — The Indefinite Pronouns are—

autrui	others, other people
on	one, people, they, you, we
personne	no one
plusieurs	several
quiconque	whoever
rien	nothing

All the above are invariable (i.e. they do not change for the feminine or for the plural).

Faites cela à autrui	Do that to others
On nous dit que . . .	We are told that . . .
	People (they) tell us that . . .

With *on*, the verb must always be in the 3rd person singular, and the corresponding possessive adjectives are : *son, sa, ses.*

Personne must be used with the negative *ne.*

When *personne* is the subject, *ne* follows it ; when *personne* is the object, *ne* precedes it.

Personne is used without *ne* in answer to a question ; *plusieurs* is used in the plural only.

Personne ne l'a vu
No one has seen it.
Je n'ai vu personne
I have not seen anybody.
Qui l'a vu ? Personne.
Who saw it ? Nobody.

Rien is used with the negative *ne* in exactly the same way as *personne ;* also without the negative in answer to a question.

The following **Indefinite Pronouns** are variable—

aucun	anyone, some one
chacun	each one
l'un	the one
l'autre	the other
nul	nothing

quelqu'un	some one
tel	such
tout	all, everything

Aucuns *sont trop grands,* **aucuns** *trop petits*
Some are too large, some too small.
Chacun *a sa façon de faire le commerce*
Each one has his own way of doing business.
Ce qui déplaît **aux uns** *plaît* **aux autres**
What is one man's meat is another's poison.
Quelqu'un *a acheté ce coton*
Some one has bought this cotton.
Tels *sont les prix que nous avons payés*
Such are the prices we have paid.
Tout *est prêt*
Everything is ready.

The indefinite pronouns *qui que,* "whoever," and *quoi que,* "whatever," must always be followed by the subjunctive—

Qui qu'il soit ——
Whoever he is (may be).
Qui qu'elle soit ——
Whoever she is (may be).
Qui qu'ils soient ——
Qui qu'elles soient ——
} Whoever they are or may be.
Quoi que vous fassiez, faites-le bien
Whatever you do, do it well.

NOTE that *quoi que,* "whatever," is a pronoun, and *quoique,* "although," is a conjunction.

IRREGULAR VERBS.—

y avoir there —— to be.

This verb is used in the 3rd person singular only of both simple and compound tenses.

falloir to be necessary, to require, must.
Past Participle : *fallu.*
This is an impersonal verb, and can only have *il* for nominative. It is conjugated throughout in the 3rd person singular only.

	SIMPLE TENSES.	
Present Indicative	*Il y a*	There is OR there are
Imperfect	*Il y avait*	There was OR there were
Preterite	*Il y eut*	There was OR there were
Future	*Il y aura*	There will be
Conditional	*Il y aurait*	There would be
Present Subjunctive	*Qu'il y ait*	That there may be
Imperfect Subjunctive	*Qu'il y eût*	That there might be
	COMPOUND TENSES.	
Present Perfect	*Il y a eu*	There has OR have been
Pluperfect	*Il y avait eu*	There had been
Past Perfect	*Il y eut eu*	There had been
Future Perfect	*Il y aura eu*	There will have been
Conditional Perfect	*Il y aurait eu*	There would have been
Present Perfect of the Subjunctive	*Qu'il y ait eu*	That there may have been
Past Perfect of the Subjunctive	*Qu'il y eût eu*	That there might have been
	SIMPLE TENSES.	
Present Indicative	*Il faut*	It is necessary
Imperfect	*Il fallait*	It was necessary
Preterite	*Il fallut*	It was necessary
Future	*Il faudra*	It will be necessary
Conditional	*Il faudrait*	It would be necessary
Present Subjunctive	*Qu'il faille*	That it may be necessary
Imperfect Subjunctive	*Qu'il fallût*	That it might be necessary
	COMPOUND TENSES.	
Present Perfect	*Il a fallu*	It has been necessary
Pluperfect	*Il avait fallu*	It had been necessary
Past Perfect	*Il eut fallu*	It had been necessary
Future Perfect	*Il aura fallu*	It will have been necessary
Conditional Perfect	*Il aurait fallu*	It would have been necessary
Present Perfect Subjunctive	*Qu'il ait fallu*	That it may have been necessary
Past Perfect Subjunctive	*Qu'il eût fallu*	That it might have been necessary

When *falloir* is followed by the conjunction *que,* "that, the verb in the dependent or secondary clause is put in the subjunctive ; but it is advisable, particularly in Commercial French, to avoid the use of the Subjunctive wherever possible by changing the nominative in the secondary clause to the dative and adding the infinitive.

Il faut que nous ayons
It is necessary that we have (we must have) is rendered by—

Il nous faut avoir
We must have ; OR
It is necessary **to us** to have.

Interrogatively — *Faut-il ?* etc.
Negatively — *Il ne faut pas*, etc.
Interrogatively Negatively — *Ne faut-il pas ?* etc.

Pres. Infinitive — *pleuvoir* to rain.
Past Participle — *plu* rained.

This verb is conjugated in the 3rd person singular only.

acquérir to acquire, master
conquérir to conquer
reconquérir to conquer again
requérir to require (law)
s'enquérir to inquire
} Conjugated like *acquérir*

Present Infinitive — *acquérir* to acquire, master
Present Participle — *acquérant* acquiring, mastering
Past Participle — *acquis* acquired, mastered

Pres. Indicative — *j'acquiers, tu acquiers, il acquiert, nous acquérons, vous acquérez, ils acquièrent.*
Imperfect — *j'acquérais*, etc.
Preterite — *j'acquis*, etc.
Future — *j'acquerrai*, etc.
Conditional — *j'acquerrais*, etc.
Pres. Subjunc. — *que j'acquière, que tu acquières, qu'il acquière, que nous acquérions, que vous acquériez, qu'ils acquièrent.*
Imperf. Subjunc. — *que j'acquisse*, etc.
Imperative — *acquiers, qu'il acquière, acquérons, acquérez qu'ils acquièrent.*

cueillir to gather (flowers, fruit)
accueillir to welcome
recueillir to gather, reap
se recueillir to collect one's self
} Conjugated like *cueillir*

Pres. Infinitive — *cueillir* to gather
Pres. Participle — *cueillant* gathering
Past Participle — *cueilli* gathered

Pres. Indicative — *je cueille, tu cueilles, il cueille, nous cueillons, vous cueillez, ils cueillent.*
Imperfect — *je cueillais*, etc.
Preterite — *je cueillis*, etc.
Future — *je cueillerai*, etc.
Conditional — *je cueillerais*, etc.
Pres. Subjunc. — *que je cueille*, etc.
Imperf. Subjunc. — *que je cueillisse*, etc.
Imperative — *cueille, qu'il cueille, cueillons, cueillez, qu'ils cueillent.*

Vocabulary.

le brevet	the patent
manquer	to miss
la ficelle	the string
le paquet	the parcel
la marque	the mark
la marque du port	the port mark
peindre / marquer au patron	to stencil
apprécier	to appreciate
les devoirs ; tâches	the duties
difficile ; onéreux	onerous

Translate into French.

1. We could not get the order ready in time for your season.
2. Do you think this patent a good one ? Yes, we believe it will sell well.
3. We must have the bills of lading by Friday, or they will miss the mail.
4. Bring me some paper and some string ; this parcel must go at once.
5. It is important that the mark and port-mark be stencilled on the cases.
6. Many thanks for the information to hand ; we greatly appreciate your attention.
7. We have wired to our principal, and he replies that he will be back in three days.
8. The duties are certainly onerous, but the pay is good, and I hope to do well.

Simple Tenses.

Present Indicative	*Il pleut*	It is raining
Imperfect	*Il pleuvait*	It was raining
Preterite	*Il plut*	It rained
Future	*Il pleuvra*	It will rain
Conditional	*Il pleuvrait*	It would rain
Present Subjunctive	*Qu'il pleuve*	That it may rain
Imperfect Subjunctive	*Qu'il plût*	That it might rain

Compound Tenses.

Present Perfect	*Il a plu*	It has rained
Pluperfect	*Il avait plu*	It had rained
Past Perfect	*Il eut plu*	It had rained
Future Perfect	*Il aura plu*	It will have rained
Conditional Perfect	*Il aurait plu*	It would have rained
Present Perfect of Subjunctive	*Qu'il ait plu*	That it may have rained
Past Perfect of Subjunctive	*Qu'il eût plu*	That it might have rained

COMMERCIAL GERMAN

Continued from page 576

KEY TO EXERCISES IN PART 12 (p. 576).

Er mag nicht Deutsch sprechen. Sie mag nicht laut lesen. Ich mochte das neue Buch nicht. Mochten Sie das Bild nicht (or *haben Sie das Bild nicht gemocht*) ? *Ich möchte wissen, warum er mir die Muster nicht sendet* (or *schickt*). *Möchten Sie in Deutschland wohnen ? Ich möchte Russland besuchen. Wir möchten diesen Artikel kaufen. Wollen Sie mich nach London begleiten ? Warum wollen Sie das Band nicht kaufen ? Welchen Hut wollen Sie kaufen ? Er will nichts kaufen. Er will ihn nicht sehen. Wen hat er sprechen wollen* (or *wen wollte er sprechen*) ? *Er wollte den Artikel kaufen. Sie wollten den Durchschnittspreis wissen. Wir wollten mit dem Zug dahinfahren. Wer soll den Brief abschreiben ? Wer soll dahin gehen ? Wir sollen besser schreiben. Er soll die Ware(n) sorgfältig verpacken. Sie sollten den Wechsel bezahlen. Sie sollten uns den Durchschnittspreis des Artikels senden* (*schicken*). *Sie sollten die Ware(n) per Eisenbahn senden* (or *schicken*). *Sie sollten sie nicht per Schiff* (or *zu Wasser*) *senden. Wer sollte den Zoll für den Artikel bezahlen ? Er soll besser arbeiten. Sie sollten uns den Betrag senden. Er sollte die Stadt besuchen. Sie sollten uns den Auftrag geben. Sie sollten dieses Garn in Bombay verkaufen. Sie sollten die Muster mit der Post schicken. Er wird die Ware(n) kaufen wollen, wenn er sie sieht. Er will den Umsatz vergrössern. Wen wollen Sie sprechen ?*

LESSON XIII.

AUXILIARY VERBS OF MOOD (*continued*).

INFINITIVE.		PAST PARTICIPLE.		PAST PARTICIPLE IN CONNECTION WITH ANOTHER VERB.	
können	**to be able to,** etc.	*gekonnt*	**been able to**	*schreiben können*	been able to write
müssen	**to be obliged to,** etc.	*gemusst*	**been obliged to**	*schreiben müssen*	been obliged to write
dürfen	**to be allowed to,** etc.	*gedurft*	**been allowed to**	*schreiben dürfen*	been allowed to write
mögen	**to like to,** etc.	*gemocht*	**liked to**	*schreiben mögen*	liked to write
wollen	**to want to,** etc.	*gewollt*	**wanted to**	*schreiben wollen*	wanted to write
sollen	**to be ordered to,** etc.	*gesollt*	**been ordered to**	*schreiben sollen*	been ordered to write

PRESENT INDICATIVE.

ALL SINGULAR FORMS.		PLURAL FORMS ARE LIKE INFINITIVE.
ich kann	I am able to	*wir können*
ich muss	I am obliged to	*wir müssen*
ich darf	I am allowed to	*wir dürfen*
ich mag	I like to	*wir mögen*
ich will	I want to	*wir wollen*
ich soll	I am ordered to	*wir sollen*

IMPERFECT INDICATIVE.		IMPERFECT SUBJUNCTIVE.	
ich konnte	I was able to	*ich könnte*	I should be able to
ich musste	I was obliged to	*ich müsste*	I should be obliged to
ich durfte	I was allowed to	*ich dürfte*	I should be allowed to
ich mochte	I liked to	*ich möchte*	I should like to
ich wollte	I wanted to	[LIKE INDICATIVE]	I should want to
ich sollte	I was ordered to		I should be ordered to

Another verb is frequently used in German as an Auxiliary with the Infinitive of the principal verb (without the preposition "to"): *lassen*, to let, to allow, to cause to, to have to.

ich lasse, ich liess, ich habe gelassen, ich habe, . . . verpacken lassen.

Wir lassen die Ware sorgfältig verpacken
We have the goods carefully packed.
[We cause the goods to be packed carefully.]

Der Artikel lässt sich gut verkaufen
The article finds a ready sale.
[The article allows itself to be sold easily.]

Ein solcher Brief lässt sich nicht leicht übersetzen
It is not easy to translate such a letter.
[Such a letter does not allow itself to be translated easily.]

Ich habe die Ware in Frankreich machen lassen
I have had the goods made in France.

ORDINAL NUMBERS.—The Ordinal Numbers are formed from the Cardinals by adding the termination *te* from 2–19, and *ste* to all other numbers; the first, the third, and the eighth are irregular (the latter does not take an additional *t*)—

der, die, das erste	the first
,, ,, ,, *zweite*	the second
,, ,, ,, *dritte*	the third
,, ,, ,, *vierte*	the fourth
,, ,, ,, *fünfte*	the fifth
,, ,, ,, *sechste*	the sixth
,, ,, ,, *siebente*	the seventh
,, ,, ,, *achte*	the eighth
der elfte	the eleventh
der neunzehnte	the nineteenth
der zwanzigste	the twentieth
der einundzwanzigste	the twenty-first
der achtundzwanzigste	the twenty-eighth
der dreissigste	the thirtieth
der hundertste	the (one) hundredth
der tausendste	the (one) thousandth

The Ordinals are declined as Adjectives—

Das erste Buch war besser als das zweite
The first book was better than the second one.

Die dritte Sendung war besser als die vierte
The third shipment was better than the fourth.

Heute ist der erste Juni
To-day is the first of June.

Das zehnte Stück war beschädigt
The tenth piece was damaged.

Der erste Zug
The first train.

The Fractional Numbers are formed by adding the termination *l* to the above Ordinals—

ein Drittel	a third
zwei Drittel	two-thirds
drei Achtel	three-eighths
zwei Fünftel	two-fifths

THE GENITIVE CASE.—In German, as in English, there are four Cases, namely: Nominative, Genitive, Dative, and Accusative.

The Accusative of the Article is the same as the Nominative Case in the Neuter, Feminine, and Plural; it only differs from the Nominative in the Masculine Singular.

The Genitive Case is formed in English from the Article "the" and the Preposition "of"; or by adding *'s* to the Noun.

In German, the Genitive of the Article is formed with a single word; thus *of the* in the Masculine and Neuter Singular = *des*.

The Masculine and Neuter Nouns also take the termination *s* or *es* in the Genitive [*es* after *s, ss, z, tz*, etc.]. [But Masculine Nouns which end in *e* do not take an *s*; they are declined like Adjectives—third declension.]

The Genitive Article for the Feminine Singular and Plural for all genders is *der* = of the.

THE DEFINITE ARTICLE.

	Masculine.		Neuter.		Feminine and Plural.	
Nom.	*der*	the	*das*	the	*die*	the
Acc.	*den*	the				
Gen.	*des*	of the	*des*	of the	*der*	of the

Examples.

Wir verstehen den Inhalt des Brief(e)s[1]
We understand the contents of the letter.

Sie versteht den Inhalt der Briefe
She understands the contents of the letters.

Der Preis des Tuchs ist zu hoch
The price of the cloth is too high.

Die Preise der Tuche sind zu hoch
The prices of the cloths are too high.

Das Denkmal der Stadt
The monument of the town.

Die Bewohner der Städte
The inhabitants of the towns.

The Adjectives on page 190, and the Indefinite Article and the Possessive Adjectives on page 238, are declined in the same manner. Only the first one of each will be given.

	Masculine	Neuter.	Fem. & Plural.	
Nom.	*dieser*	*dieses*	*diese*	this or these
Acc.	*diesen*			
Gen.	*dieses*	*dieses*	*dieser*	of this or of these

	Masculine.	Neuter.	Feminine.	
Nom.	*ein*	*ein*	*eine*	a
Acc.	*einen*	*ein*	*eine*	a
Gen.	*eines*	*eines*	*einer*	of a

	Masculine.	Neuter.	Fem. & Plural.	
Nom.	*mein*	*mein*	*meine*	my
Acc.	*meinen*	*mein*	*meine*	my
Gen.	*meines*	*meines*	*meiner*	of my

[1] If a noun takes either *s* or *es*, it indicates that the letter *e* is optional.

Masculine Nouns.

Nominative.		Genitive.		Plural Genitive.	
der Preis	the price	DES *Preises*	of the price	DER *Preise*	of the prices
der Brief	the letter	DES *Briefs*	of the letter	DER *Briefe*	of the letters
der Auftrag	the order	DES *Auftrags*	of the order	DER *Aufträge*	of the orders
der Vertrag	the contract	DES *Vertrags*	of the contract	DER *Verträge*	of the contracts

Neuter Nouns.

Nominative and Accusative—					
das Tuch	the cloth	DES *Tuchs*	of the cloth	DER *Tuche*	of the cloths
das Stück	the piece	DES *Stücks*	of the piece	DER *Stücke*	of the pieces
das Schiff	the ship	DES *Schiffs*	of the ship	DER *Schiffe*	of the ships
das Gesetz	the law	DES *Gesetzes*	of the law	DER *Gesetze*	of the laws

Feminine Nouns.

die Frucht	the fruit	DER *Frucht*	of the fruit	DER *Früchte*	of the fruits
die Stadt	the town	DER *Stadt*	of the town	DER *Städte*	of the towns
die Hand	the hand	DER *Hand*	of the hand	DER *Hände*	of the hands
die Haut	the skin	DER *Haut*	of the skin	DER *Häute*	of the skins

Examples.

Der Inhalt dieses Briefes
The contents of this letter.
Der Preis dieses Tuches
The price of this cloth.
Der Inhalt dieser Briefe
The contents of these letters.
Der Preis dieser Tuche
The price of these cloths.
Ich bestätige den Empfang eines Auftrags
I confirm [the] receipt of an order.
Wir fragen den Besitzer eines Schiffes
We ask the proprietor of a boat.
Sie haben den Empfang meines Auftrages noch nicht bestätigt
You have not yet confirmed receipt of my order.
Ich habe die Bestätigung meiner Aufträge
I have got the confirmation of my orders.
Die Farbe meines Tuches verschiesst nicht
The colour of my cloth does not fade.
Die Farben meiner Tuche verschiessen nicht
The colours of my cloths do not fade.

INTERROGATIVE PRONOUNS.

Wessen ? Whose ?

Wessen Spinnerei wollen Sie besuchen ?
Whose spinning mill do you want to visit ?
Wessen Tuch haben Sie gekauft ?
Whose cloth did you buy ?

There are four Prepositions which are followed by the Genitive—

während des (mas. and neut.) / *während der* (plural and fem.) } during the
wegen des / *wegen der* } on account of
statt OR *anstatt des* / *anstatt der* } instead of
trotz des / *trotz der* } in spite of

Examples.

Während des Sommers schicken wir diese Hüte nach London
During the summer we send these hats to London.

Während des Winters sind wir sehr beschäftigt
During the winter we are very busy.

Während der Unruhen haben wir nichts dahin gesandt
During the state of unrest we did not send anything there.

Trotz der Nachfrage wird die Ware nicht teurer
In spite of the demand, the goods are not getting dearer.

Trotz des Sturmes ist das Schiff rechtzeitig angekommen
In spite of the storm, the boat arrived in time.

EXERCISES.

I.—1. *Ich habe einen Brief schreiben lassen.* 2. *Hat er die Waren sorgfältig verpacken lassen ?* 3. *Der Besitzer liess das Schiff abfahren.* 4. *Ich konnte den Empfang des Auftrags nicht bestätigen.* 5. *Während des Winters ist der Preis dieser Tuche sehr hoch.* 6. *Ich habe bisher nicht schreiben dürfen.*

II.—1. He is obliged to go out. 2. We are to sell these goods to-day. 3. I (have) wanted to read the contents of the letter. 4. He would like to visit the monuments of the town. 5. To-day is the 14th of February. 6. On account of the demand the price of this cloth is getting very high.

COMMERCIAL SPANISH

Continued from page 579

KEY TO EXERCISES IN PART 12 (p. 579).

1. We hope that you will like this quality. 2. It is not up to the sample. 3. When do you expect to make the delivery? 4. The sales have not brought him much profit. 5. We are sure that you will not send them in time. 6. Your cablegram reached us too late. 7. Do not fail to keep your promise. 8. The shipping expenses are very high. 9. Why have you been so long in making the delivery? 10. How much do you charge for the folding? 11. When are you going to ship these goods? 12. We are in much need of this cloth. 13. We cannot stand so much insolence. 14. The printer requires twenty pieces to a design. 15. We await the arrival of your traveller about the middle of June. 16. We are surprised at not having received the shirting. 17. Early this morning a violent fire broke out in the dyeworks. 18. The strike of mechanical sawyers continues in the same state. 19. For instance: what do you think of this colour? 20. The manufacturer has spoiled the cloth.

1. *¿ Cómo le gusta á su cliente el apresto ?* 2. *No le gusta en nada.* 3. *¿ Cuál es el peso exacto del fardo ?* 4. *La lana ha subido de precio durante el mes pasado.* 5. *Se ha declarado un incendio en la fábrica.* 6. *Le escribiremos más por extenso* (or *más detalladamente*) *la semana que viene.* 7. *Envíeme un borrador del documento.* 8. *Nos alegramos de que Vd. haya colocado este pedido.* 9. *Deseamos que el hilo venga en carretes.* 10. *Esto dará lugar á una queja.* 11. *Esperamos que esta tela resulte satisfactoria.* 12. *Abrigamos esperanzas de hacer la entrega para mediados de Junio.* 13. *¿ Cuánto pagó Vd. por las sederías ?* 14. *Queda por ver si él le dará estos de balde.* 15. *¿ Quedó Vd. recompensado por las molestias que ha tenido ?* 16. *Para su gobierno, puedo decir que no me agrada el bramante para sábanas.* 17. *Temo que esta mercancía no soporte el viaje.* 18. *Tengo para mí que Vd. ha empleado una tela por otra.* 19. *Estudiaremos detenidamente este asunto.* 20. *Como esta calidad no me conviene* (or *por no convenirme esta calidad*), *me niego á aceptarla.*

We have before us your favour of the 23rd ultimo, and we are pleased to give you our thanks for the samples of goods which you have been good enough to send to us, and which we are still studying, and we trust that we may be able to make you an order. We avail ourselves of this opportunity to send you our compliments, and to express our best wishes for the year which is about to commence, our desire being that during the course of this year the good relations which exist between our respective firms may be further extended.

LESSON XIII.

CONJUNCTIONS.—The principal Spanish Conjunctions are—

antes, antes bien, on the contrary, rather	*porque,* because
	pues, since, as, for
como, as	*ora..ora..*now..now
ni, nor	*que,* that
*ni..ni..*neither..nor..	*si,* if
ó (OR *ú*), or	*y* (OR *é*), and
pero, sino, mas, but	*ya..ya..*now..now

As has been previously pointed out, *é* is used for *y* before a word which begins with *i* or *hi*, and *ú* is used for *ó* before a word which begins with *o* OR *ho*, e.g.—

Padre é hijo, father and son.
Siete ú ocho, seven or eight.

But, *pero, sino, mas.* After an affirmative sentence, *pero* is generally used, as—

He visto á su amigo, pero no le he hablado.
I have seen your friend, but I have not spoken to him.

After a negative sentence, *sino* is generally used, as—

No tenemos cartas, sino giros.
We have not letters, but drafts.

If, however, a verb follows "but," *pero* is used even after a negation, as—

No hemos recibido su carta, pero (sí) hemos recibido el paquete.
We have not received your letter, but (yes) we have received the parcel.
No es muy cariñoso, pero me quiere mucho.
He is not very affectionate, but he likes me very much.

Mas is a more emphatic form of *pero* (i.e. "however"), e.g.—

Se ha esforzado todo lo posible, mas fué en vano.
He has striven all possible, but it was in vain.

NOTE. *Mas* is not accented when it means "but"; only when it means "more" (i.e. *más*).

When the words "not only" are followed by "but," the rendering is as follows—

Not only does he write to me, but he meets me occasionally:
No sólo me escribe, sino que me viene á ver alguna que otra vez.

INTERJECTIONS.—Interjections are not much used in commercial language, but below we give a few of the most frequent—

Ojalá (derived from *o allah*, i.e. would to God, please God), expresses hope or desire, and is followed by the Subjunctive Mood, as:

Ojalá que pudiéramos recibir los géneros sin demora.
We hope that we may receive the goods without delay.

Cuidado and *ojo* are frequently placed on orders or instructions, meaning that "care has to be taken."

Gracias á Dios (literally, thanks to God) is an expression frequently used, and should be translated as: We are very glad (OR thankful) that . . .

Interjections used in conversation are—

Caramba, good gracious; *hola*, hello; *uf*, oh; *vaya*, come, go on.

IRREGULAR VERBS.

Decir, to say, to tell.

Pres. Indic.— *Digo, dices, dice, decimos, decís, dicen.*
Past Def. — *Dije, dijiste, dijo, dijimos, dijisteis, dijeron.*
Fut. — *Diré, dirás, dirá, diremos, diréis, dirán.*
Cond. — *Diría, dirías, diría*, etc.
Impera. — *Di, diga; digamos, decid, digan.*
Pres. Part.— *Diciendo.*
Past Part.— *Dicho.*

Conducir, to conduct, to lead.

Pres. Indic.— *Conduzco, conduces, conduce, conducimos, conducís, conducen.*
Past Def. — *Conduje, condujiste, condujo, condujimos, condujisteis, condujeron.*
Pres. Subj.— *Conduzca*, etc.

Verbs conjugated like *conducir* are: *Producir*, to produce; *reducir*, to reduce; *deducir*, to deduce; to deduct; *traducir*, to translate; *introducir*, to introduce.

VARIOUS NOTES.—Tener AND **Haber.** The verb *tener* (to have) is sometimes used in the same way as *haber* (i.e. before a verb or past participle), and in such case the Past Participle which follows must agree in gender and number with the object, that is, it becomes an adjective, as—

Hemos recibido las cartas.
We have received the letters.

Tenemos recibidas las cartas.
We have (already) received the letters.

This latter form is not of very frequent use, and is only employed to show emphasis, as it conveys the meaning that "we have already (OR, of course) received the letters."

Dejar AND **Llevar.** Besides *tener*, the verbs *dejar* and *llevar* are sometimes used instead of the auxiliary verb *Haber*, and in such cases the Past Participle must agree with the object of the verb, as—

Llevo escritas dos cartas.
I have (already) written two letters.

Les dejamos acreditadas en cuenta dos libras.
We have credited you in account with two pounds.

Como dejamos dicho (arriba).
As we have (already) said (above).

As in the case of *Tener*, these verbs convey greater emphasis than *Haber.*

"To HAVE MADE," ETC. When the verb "To Have" is used in the sense of "To Order" (something to be done), it is rendered in Spanish by *hacer* or *mandar*, as—

I had a suit made.
Hice (OR *mandé*) *hacer un traje.*
Kindly have them made in this design.
Sírvanse mandarlos hacer en este dibujo.

"To BECOME." This verb is rendered in Spanish by the following verbs, according to the sense in which it is used—

Convenir (to suit), *quedar* (to remain), *ponerse, venir á ser, llegar á ser, volverse, hacerse, ser* (*de*).

EXAMPLES.

What has become of him?
¿Qué ha sido de él?
It is not known what has become of him.
Se ignora su paradero (whereabouts).
He became rich.
Se hizo rico.
She became sad.
Ella se puso triste.
The prices have become high.
Los precios se han puesto altos.
He became poor.
Vino (OR *llegó*) *á ser pobre.*
He has become mad.
Se ha vuelto loco.
He became astonished.
Quedó sorprendido (OR *atónito*).
This dress does not become you.
Este vestido no le conviene.

"ONLY." When an adjective, "only" is rendered in Spanish by *solo, único;* as, *un solo libro,* a single book; *mi único amigo,* my only friend. After the word "the," *único* is better; *solo* has rather the meaning of "single" OR "alone."

When "only" is used as an adverb, the word *solo* is accented, thus—

I have only six,
sólo tengo seis (OR *no tengo más que seis*).

"Only" may also be translated by the verbs *limitarse, concretarse* OR *contraerse*, in commercial correspondence, in such sentences as—

Nos limitamos á rogarles . . .
We only beg you to . . .

La presente se concreta (OR *se contrae*) *á . . .*
The object of the present is only to . . .

See also "But" in previous part of this lesson.

"ALL" or "WHOLE," "EVERY." *Todo, toda, todos,* OR *todos ; entero.*

Todo means "all" OR "the whole," OR "every," as—

Todo el mundo, all the world, the whole world, everybody.
Todo hombre, every man.
Todos los hombres, all men, every man.
Todos los días, every day.

Also: *una pieza entera,* a whole piece.
In all, *en junto.*
Not at all, *de ningún modo, en nada.*
On the whole, *en general, en resumen, todo considerado.*

"All" is sometimes translated by *cuanto* OR *cuantos,* as—

Espero que Vd. hará cuanto pueda.
I hope you will do all you can.
Le daré cuantos reciba.
I will give you all I receive.

Note that *todo* and *cuanto* take the Subjunctive when referring to something future (i.e. vague or indefinite), as—

Todo hombre que haga esto pagará dos veces.
Every man who does (may do) this will pay twice.

"OTHER" and "OTHERS." *Otro, otra, otros, otras ; demás.*

Otro does not take the indefinite article, as—
Another invoice, *otra factura.*

When "other" OR "others" mean "the remainder" OR "the rest," *demás* is used, as—

You may keep the others.
Vd. puede quedarse con los demás.
We send you some other samples.
Les enviamos algunas otras muestras.

VOCABULARY.

the appointment, *la cita*
the auctioneer, *el martillero*
as well as, *tan bien como*
a little, *un poco*
the credit, *el crédito*
the cutting, *el corte, el pedacito*
certainly, *por cierto*
difficult, *difícil*
the duties, *los derechos*
the debit, *el débito*
the difficulty, *la dificultad*
the extent, *la importancia*
the flywheel, *el volante*
fresh, new, *nuevo*
for, therefore, *pues*
following (adj.), *siguiente*
red, *punzó* (*Cuba*)
the shade, *el matiz, el tono, el color*
the language, *el lenguaje*
the mile, *la milla*
the novelty, *la novedad*
the oil, *el aceite*
odd, *extraño ; suelto*
out of, *fuera de*
the obstacle, *el obstáculo*
the parties concerned, *los interesados*
the plush, *la felpa*
the pattern-card, *el mostruario*
particular, *exigente*
the passage, *el pasaje, la travesía*
the remark, *la observación*
ready, *listo, pronto*
so that, *así que, para que*
to decrease, *disminuir*
to be good enough to, *servirse*
within, *dentro de*
to be angry, *enojarse*
to be born, *nacer*
to be anxious, *desear vivamente, tener interés* (*en*)
to check, *verificar, revisar*
to cover, *cubrir*
to call at, *hacer escala en*
to increase, *aumentar*(*se*)
to miss, *echar de menos*
to make, *hacer, fabricar*
to negotiate, *negociar*
to recognise, *reconocer*
to sink, *hundirse, irse á pique*
to waste, *derrochar, perder*

EXERCISE 25.

1. *Hemos echado de menos algunas piezas.* 2. *Este es un estilo de mucha novedad.* 3. *Llevamos escritas algunas cartas.* 4. *Ojalá nos remitan Vds. estos génevos en primera oportunidad.* 5. *No olviden Vds. que los derechos se aumentarán muy en breve* (soon). 6. *Gracias á Dios que hemos logrado nuestro deseo.* 7. *Ya le dijimos al fabricante que ejecutase nuestro pedido en las mejores condiciones posibles.* 8. *Cuantas averiguaciones* (investigations) *se han hecho han sido infructuosas* (unsuccessful). 9. *El martillero ha vendido en pública subasta* (public auction) *todas las mercancías que resultaron averiadas.* 10. *Mándennos un pedacito de la tela, para servirnos de guía* (as a guide OR to go by). 11. *He mandado hacer un nuevo vestido.* 12. *El volante se debe empacar por separado.* 13. *No permito que nadie me hable en tal lenguaje.* 14. *Se ha roto* (broken) *la maquinaria.* 15. *El vapor hará escala en Málaga.* 16. *Tengo una cita con el corredor.* 17. *Hemos tenido una feliz travesía.* 18. *Ya están listos todos los artículos de su encargo.* 19. *El matiz no nos agrada en nada.*

EXERCISE 26.

1. I prefer the red shade to the black. 2. We told them to send us the parcels without delay. 3. Will this steamer touch at Havre (*el Havre*)? 4. Tell him that he must not forget to check the contents of the bale. 5. It is strange that we have not received any word (*aviso*) about (*de*) the arrival of this steamer. 6. We translated this document word for word (*textualmente*). 7. We do not wish to place any obstacle in your way. 8. Our customer is much annoyed that we have shipped him these goods at one time (*de una vez*). 9. You will certainly lose no time in confirming this line. 10. We did not know that he had become so rich. 11. Neither we nor our client can (*podemos*) accept this offer. 12. What has become of the order we sent you last year? 13. We shall divide the proceeds (*el producto*) among the parties concerned. 14. We hope that you will have a good passage. 15. Be good enough to send us your cheque (*cheque*) by return. 16. I do not want you to waste so much money. 17. When did you miss the pieces? 18. He was born in the year 1880, and died last year. 19. I cannot permit such language to be used to me.

ELEMENTARY ITALIAN

Continued from page 580

KEY TO EXERCISES IN PART 12 (p. 580).

I.—1. *Vi* (or *le*) *manderò il danaro.* 2. *Gli daremo un buon consiglio.* 3. *Ha* (or *avete*) *visto quelle merci?* 4. *Sì, ma non le comprerò ancora.* 5. *Le venderanno a buon mercato domani.* 6. *Mi manderà il conto la settimana prossima* (or *ventura*). 7. *Saremo stanchi stasera.* 8. *Non ci serviranno oggi.* N.B.—The *h* in *stanchi* is inserted to keep the hard sound of the *c*.

II.—1. I will do my utmost to come to you on Friday. 2. The man will find something to do. 3. We will do our utmost to satisfy our clients (*or* customers). 4. I will give him a letter of credit. 5. I shall not see him the day after to-morrow. 6. They will send us the goods next Monday. 7. He gives me (a piece of) good advice. 8. Here are the accounts: I will send them to my customer this evening.

LESSON XIII.

THE CONDITIONAL MOOD, like the Future Tense, is formed from the Infinitive, the endings required being *ei, esti, ebbe, emmo, este, ebbero.*

Comprar|e.	**Vender|e.**	**Servir|e.**
comprerei	*venderei*	*servirei*
(I should buy)	(I should sell)	(I should serve)
compreresti	*venderesti*	*serviresti*
comprerebbe	*venderebbe*	*servirebbe*
comprerемmo	*venderemmo*	*serviremmo*
comprereste	*vendereste*	*servireste*
comprerebbero	*venderebbero*	*servirebbero*

As in the Future tense, the *a* of the Infinitive ending of the 1st conjugation is changed into *e*. This change also involves the addition of an *h* in verbs ending in *care* and *gare*, in order to keep the *c* and *g* hard throughout the conjugation. The *h* is inserted in all cases before endings beginning with *e* or *i*.

EXAMPLES.

Fut. of Pagare, to pay.	**Fut. of Giudicare,** to judge.
pagherò (I shall pay)	*giudicherò* (I shall judge)
pagherai	*giudicherai*
pagherà	*giudicherà*
pagheremo	*giudicheremo*
pagherete	*giudicherete*
pagheranno	*giudicheranno*

In the same way the *conditional* of the above would be *pagherei* (I should pay), etc., *giudicherei* (I should judge), etc., and the 1st Person Plural of the Present Tense would be *paghiamo* (we pay), and *guidichiamo* (we judge) respectively.

Verbs like *lasciare* (to leave), *cominciare* (to begin), *mangiare* (to eat), drop the *i* before terminations in *e* and *i*, e.g. *lascerei* (I should leave), *cominceremo* (we shall begin), *mangerà* (he will eat).

Compound Tenses of transitive verbs and of some intransitive verbs are formed with the auxiliary *avere*, as has been seen, e.g. *ho mangiato* (I have eaten *or* dined), *ha lasciato il suo bagaglio alla stazione* (he has left his luggage at the station), *abbiamo cominciato la tredicesima lezione* (we have begun the thirteenth lesson). The verb *essere* (to be), all reflective verbs, and some intransitive verbs are, however, conjugated with *essere* in the compound tenses, e.g. *son(o) stato* (I have been), *mi sono affrettato* (I have hurried), *sono arrivato* (I have arrived). *Essere* is also used to form the passive voice of transitive verbs.

Pres. Indic. of the Reflective Verb
Affrettarsi, to make haste.

io mi affretto (I make haste)	*noi ci affrettiamo*
tu ti affretti	*voi vi affrettate*
egli si affretta	*essi si affrettano*

The other tenses are conjugated in the same way, e.g. *io mi affrettava* (I was making haste), *io mi affrettai* (I made haste), *io mi affretterò* (I shall make haste), *io mi affretterei* (I should make haste).

The verbs *vedere* (to see) and *dare* (to give) are regular in the Future and Conditional, except that *vedere* like *avere* drops the *e* preceding the Infinitive ending, viz., *vedrò* (I shall see), *vedrai, vedrà, vedremo, vedrete, vedranno; vedrei* (I should see), *vedresti, vedrebbe, vedremmo, vedreste, vedrebbero.*

Dare is quite simple, e.g. *darò* (I shall give), etc., *darei* (I should give), etc. In the same way *fare* makes *farò*, etc., *farei*, etc. *Avere* drops the *e* as already stated; *avrò* (I shall have), etc., *avrei* (I should have), etc., and the Conditional of *essere* resembles the Future, viz., *sarei* (I should be), etc.

Remark on Personal Pronouns. When two personal pronouns precede the verb, the indirect object or dative case is always placed before the direct object or accusative case, and the pronouns ending in *i* change the final *i* into *e*, e.g. *ve lo darò*, I will give it you. The pronoun *gli* becomes *glie*, and is contracted with the pronoun following, e.g. *glielo pagherebbe*, he would pay it to him.

EXERCISES.

1. Give the 1st person plural of the Conditional Mood of *pagare, giudicare, pregare* (to ask, beg), *mangiare, mandare, cominciare, lasciare, chiamare* (to call), *affrettarsi, chiudere* (to shut), *dare, fare.*

2. Translate.—1. *Il vostro commesso viaggiatore*[1] *ci ha mandato i campioni.*[2] 2. *Ha dato il danaro al fabbricante? Non ancora, glielo darò domani.* 3. *Dov' è il libro ma(e)stro? Il commesso me lo porterà lunedì prossimo.* 4. *Ho ricevuto i suoi gentili auguri e glieli contraccambio* (reciprocate) *di cuore.* 5. *Ha veduto il campione? No, il commesso me lo farà vedere subito.* 6. *Vi prego di affrettare i vostri pregiati*[3] *comandi.*

[1] Commercial traveller. [2] Samples, patterns. [3] Esteemed.

THE STOCK EXCHANGE

Continued from page 557

LESSON III.

WHAT THE STOCK EXCHANGE DEALS IN.—(1) Government Bonds. There are many kinds of securities bought and sold on the Stock Exchange, and as time goes on the tendency is for the variety to increase. It is rarely sufficient nowadays to be satisfied with a general description of a parcel of debentures or shares or bonds, the buyer and seller need to know the special conditions belonging to the issue, as these have a very important bearing on the value.

It is, however, still possible to generalize by using descriptive terms under which nearly all securities can be divided. The words "Stock," "Debentures," "Shares," and "Bonds" constitute in themselves a rough division which serve to describe different kinds of securities.

Government and Corporations stock consists of loans made by members of the public or by fund-holding bodies. These now are much more varied in their rights and conditions than was once the case.

During the Great War when the Government was constantly appealing for funds, it was often necessary to make the investment as attractive as possible, so that in each new issue privileges were offered which had their bearing upon previous issues, and also affected the manner in which yet later loans should be issued.

The six or seven chief kinds of Government stock cannot be regarded in one wide sweeping term. The rates of interest vary from 2½ per cent to 5 per cent, and there are powers of repayment reserved covering different periods. Hence the importance of ascertaining full particulars of the stock which it is purposed to buy.

There is one chief difference between Consols and the later loans. Consols are practically perpetual annuities which vary in price according to the value placed upon them in the open market. For about £50 the right to £2 10s. per annum can now be purchased. Twenty years or so ago, this right was valued at about £110, and in twenty years' time it may be valued at an equally high or an even higher sum. The Government can cancel the obligation to pay this amount by buying the Consols at the current market price whether it be £45 or £113.

Recent Government loans have been issued with date of repayment. Thus, the first War Loan, at 3½ per cent, was issued under the condition that it should be repaid in full in the year 1928, but should it pay the Government to do so, they might exercise the option as early as 1925. The Funding Loan, recently issued, may be redeemed at par at any time during the years between 1960 and 1990, but is payable at latest on the final date.

Now, the effect of giving dates to the repayment is that all fluctuations are influenced by two factors instead of one. In a few years' time money may be exceedingly cheap and plentiful, as it was just before the Boer War. Such a glut of money would send up Consols at a much greater rate than it would send up War Loan for, as soon as War Loan reached its face value, the investor would begin to fear that the Government might exercise its rights of pre-emption, borrowing money to do so at the current low rate.

On the other hand, supposing money becomes increasingly scarce and all securities fall, such dated stock as War Loan would not fall greatly if the final date of repayment were drawing near.

The investor is sometimes puzzled why it is that, if he invests £500 in five different kinds of Government stock, they will all show him a slightly different percentage of interest. The reason, of course, lies in the fact that in some of these the Government *can* pay him out at a certain time, or *must* pay him in full at another.

These advantages, or otherwise, have a way of translating themselves into money values. So it comes about that buyers and sellers do not price them only on the yearly yield.

This point should at all times be remembered by the outside investor as bearing on all stocks and shares. The mere calculation of percentage return on an investment is a very incomplete clue to its real value.

Investors often think they see remarkable bargains, or are puzzled at unexpected high prices. The Stock Exchange is so full of clever and experienced men who know their trade, that there is a reason for every price, and the outsider may be sure the quoted price is somewhere about the actual value in every case.

One of the most important factors in estimating the value of stocks and shares, is that of guarantee. It may puzzle the investor, for instance, why Eastern Bengal Railway Annuities should be continually quoted at a higher price than investments in similar foreign or Colonial railways offering an equal return. The reason lies in the fact that the stock in question is guaranteed by the Government of India.

An interesting example of the working of a guarantee of this nature is to be found in the French Panama Bonds. The Panama Canal Companies failed and the undertaking was dead, yet, in spite of this fact, the Bonds had a negotiable market value entirely because of the fact that the French Government made itself liable for ultimate repayment.

OFFICE ORGANISATION AND COUNTING-HOUSE ROUTINE

Continued from page 561

LESSON XI.

PREPARATIONS FOR STOCKTAKING.—Juniors, and, for the matter of that, the seniors as well, will find the annual stocktaking an irksome and laborious time, but the task is nevertheless an *essential* one; it is one of the most vital proceedings in the course of a manufacturer's or merchant's business, and the value put upon the stock plays an important part in the determination of the profits for the year. An erroneous value directly affects the gain or loss, as the case may be; and this fact has been fraudulently acted upon by unscrupulous directors of companies and also indiscreetly by managers of departments in private concerns. However, it must be remembered that this procedure is ultimately attended with disastrous results, as the following year will suffer from the inflated figures set down as the value of the stock and charged to the year's working really as its first purchase. If the student will examine for a few moments a simple kind of Trading Account, which is made up from the firm's books to show the cost of *production* and, therefore, the gain upon this section of a business before expenses of administration (carrying on) and distribution (bringing to the consumers or customers) are deducted to arrive at the net profit, he will easily gather some idea as to the elasticity which will be given to the amount representing the gross profit (gain upon productive side of business) by enlarging or decreasing the item of stock at the end of the period, usually a year, when accounts are made up. On the *Dr.* (left-hand) side are shown the cost of all materials entering into the cost of production and the wages expended upon them; whilst on the *Cr.* (right-hand) side are displayed the amount realised in sales of the goods produced and the value of the resulting stock. This latter is usually calculated at cost price, or at market value, whichever is the lower. There are exceptions which will be discussed later.

In each year a Profit and Loss Account would be prepared—the Americans call it a Loss and Gain Account, which agrees better with the order of the sides—something after the style shown on the next page, only with greater detail. The net profit is either left in the business for future requirements and to enlarge its scope, or is withdrawn by the trader for his expenses of living, enjoyment, investment, charitable purposes, etc.

The keen business man will display considerable skill in keeping stocks at such levels during the various seasons of the year as demands will warrant; if vigilance is relaxed in this direction, one gets a low bank balance through unduly increased purchases and the stocks too high. Some trades are greatly affected by seasons, and errors of judgment may be attended with somewhat disastrous consequences. Weekly or monthly statistics as to purchases and sales will be of service to the trader, and comparisons should be made with the corresponding periods of previous years. Approximate statements of stocks held should be available, and stocktaking should mean corroboration and a time of verification of stock books. Special efforts may be directed to the disposal of certain portions of the stock revealed by the stocktaking, and valuable experience in different directions may be obtained by this all-important, though irksome, event. It may not have occurred to the minds of some juniors that in certain businesses stocks are

Dr. TRADING ACCOUNT OF A NEW BUSINESS. *Cr.*

	£ s. d.		£ s. d.
Cost of materials purchased		Sales for the year	
Wages paid in processes of manufacture		Value of stock at end of year	
Gross Profit, inserted to balance the account, being Gain upon production of the firm's goods		(Gross Loss, inserted instead of Gross Profit, to balance the account, if cost of production is greater than amount realised for the goods made.)	
	£		£

Dr. SECOND YEAR'S TRADING ACCOUNT. *Cr.*

	£ s. d.		£ s. d.
Value of stock at end of first year ..		Sales for the year	
Further materials purchased		Value of stock at the end of year ..	
Wages paid		(Gross Loss, if such has been sustained.)	
Gross Profit			
	£		£

Dr. PROFIT AND LOSS ACCOUNT. *Cr.*

(Losses in the Book-keeping Sense.)	£ s. d.	Gains.	£ s. d.
(Gross Loss from Trading Account if such existed.)		Gross Profit from Trading Account ..	
Expenses of carrying on the business, such as Rent, Rates, and Taxes, Salaries, Advertising, Lighting, Stationery, etc.		Other forms of income, such as Discounts received	
Balance being Net Profit to be appropriated by the owner of the business		Amounts received from Sub-lettings of portions of the factory and premises occupied	
		Commissions for services rendered to other traders	
		(Net Loss if Dr. side is the greater, entailing a decrease of the Trader's Capital.)	
	£		£

specially held from year to year as the commodities increase in value as they advance in age ; a typical example is wines. In this case an amount equivalent to interest upon the capital invested in the stock specially kept over is taken credit for in the accounts of the business. Timber being kept for seasoning is another example, and stocks of metals and other material where a rise in price is anticipated form interesting subjects of comment. It is well, however, in sound finance not to take credit for unrealised profits. The passing of stock from the loan department to the sales department of a pawnbroker's business brings its attendant problems as to basis of calculations, giving due credit to the loan department. These are the special instances which more or less form exceptions to the general rule of assigning cost or market values to stock on hand.

In very large factories it is generally necessary to close down the works for a day or two, in order to carry out the stocktaking properly. A slack season is, of course, selected, and preferably when a holiday takes place. Railway companies should be advised and the Goods Inwards Book ruled off. Goods which have been received prior to stocktaking should have been invoiced and included in the accounts. In cases where the invoices have not been obtained, the value must be ascertained and the proper adjustments made. The stocktaking and book-keeping records must be in thorough agreement, and extreme care must be taken with regard to goods which have been dispatched for urgent orders during operations. It will be clear that goods included in the sales for the financial year must not be in the stock sheets as well, otherwise there is a "double" credit (selling and cost prices) on the Trading Account. A grasp of the elementary form set out will be of assistance in all cases of transactions occurring round about the stocktaking date. Items upon the sales sheets in the early part of the new year must appear upon the stock lists of the old year.

A practice exists in many trades of purchasing goods with the invoices dated forward. It must be borne in mind that this only affects the matter of payment, the terms respecting discounts and credit ranging from the forward date. The goods must be entered in the Purchases Day Book in the usual way and posted to the Ledgers ; it is usual to write in red ink against the entries "as July," or whatever month or date is in question, this being merely for guidance regarding the payment of the account. Those not sold would, of course, be entered upon the stock sheets and the liability to the creditor for the whole should appear in the Balance Sheet, having been included in the schedule of sundry creditors abstracted from the Bought Ledgers.

The cost of work in progress for orders must be carefully ascertained from the records, and sometimes constitutes a very important item. The old year takes credit for it, and the amount is carried down to the debit of the following year in the same way as stock on hand. In large contracts, technical points arise in this connection.

Stock held at the docks and bonded warehouses needs considerable care. All invoices must be passed through the books, and all charges, such as freight, dock dues, brokerage, customs, and excise duties, carefully dealt with. A correct value can then be placed upon these assets representing the cost to the owner "on the spot," a very different matter from the figure at the point of origin. Similar remarks apply to heavy goods, such as timber and stone, upon which carriage and freight have been paid up to their arrival at the works or on the job.

Each person engaged upon the stock sheets should initial for the work performed by him. An efficient system of checking should be installed ; and, finally, the sheets should be signed as a whole by the principal or manager, or, in the case of a company, by a director. Auditors should see that the records of the stock are certified in some such satisfactory manner.

(*Concluded.*)

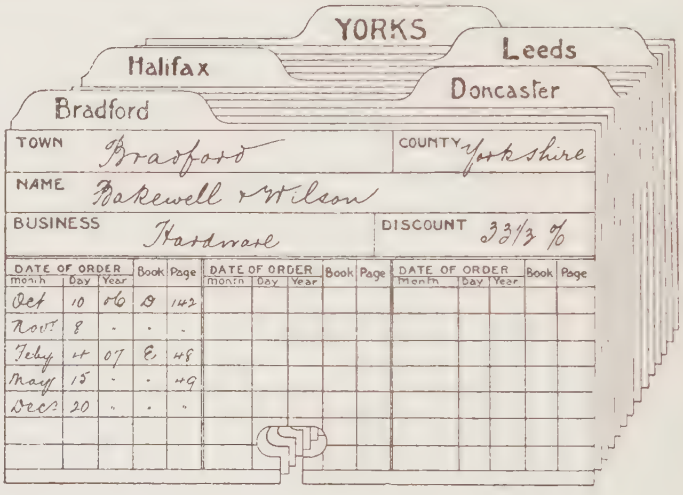
CARD INDEXING AND FILING

Continued from page 568

LESSON IV.

ADVERTISING RECORDS.—Many students will know that there is a common practice of keying advertisements either by letters or by numbers, such as " Box 56," so that the advertiser may know the source of inquiries and may satisfy himself that his money is being well spent. The card record is useful here, as full particulars of the cost of advertising in each journal selected may be set forth with all details, including the result thereof.

CUSTOMERS' REGISTER. — Infinitely preferable to the bound book merely as a directory of names, the Card Index may be made into a Customers' Register, with a considerable increase in its utility. The heads of a firm may by its means compare one period's trade with another and become more closely acquainted with the customer's requirements and peculiarities, the work of travellers, and the tendencies of trade. Examples cannot, of course, be given for many trades; but the illustrations given here—especially Forms 1 and 2, which give details of cards in actual use in a successful wholesale house—are readily adaptable to different requirements.



CUSTOMER'S REGISTER, GEOGRAPHICALLY ARRANGED (GLOBE-WERNICKE).

Name_____ No._____
Town and County_____
Date Account Opened_____ Credit_____
How Opened _____Terms_____
Buyer's Name_____

Date.	Complaints.	Answer.	Remarks.

FORM I, CUSTOMER'S CARD, GIVING ALL NECESSARY INFORMATION AND SPACE TO NOTE COMPLAINTS.

RECORD OF SALES.

Quarter.	Amount.	Quarter.	Amount.

REVERSE SIDE OF CARD, WITH SPACE FOR PARTICULARS OF BUSINESS DONE QUARTER BY QUARTER.

CIRCULARISING CUSTOMERS.—Taking the place of the Address Book, the Card Index is an admirable means of quick circularising of customers, as the work can be distributed either by handing the cards in sections to a number of clerks, or by arranging for the various processes —such as selecting the cards, typing the addresses, folding and placing circulars in envelopes, putting the cards back again—to be methodically performed by the clerks available—no doubt the quicker method.

Name_____ Traveller_____

Address_____ Territory_____

	1921.		1922.		1923.		1924.		1925.	
	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
Jan.										
Feb.										
Mar.										
Apr.										
May										
June										
July										
Aug.										
Sept.										
Oct.										
Nov.										
Dec.										
Total										

FORM II, SHOWING MONTHLY SALES OF EACH CUSTOMER.

THE BUYING DEPARTMENT.—Cards are useful in the buying as well as in the selling department, and it is perfectly safe to say that there is much more judicious buying when card records of stocks are kept. Records of the names of firms from which one buys are kept in the same way as the others, also records of quotations, tenders, cost registers, etc. All these are subject to what has been said about name and subject cards, which, by classifying information and putting ready to hand valuable details, not only save time in buying, but prevent buying when one has a sufficient supply of a commodity, and cause a purchase to be effected before a supply has got too low—two very vital factors in the art of successful buying.

REGISTER OF STAFF.—The general advantages of the Card System make a Card Register of Staff far more flexible and satisfactory than a book register. On the next page is a specimen card used by a great transport company.

CARD RECORDS INDEX TO THE BUSINESS.—It will be seen from the examples given that the Card Index may be an index to the business. It may have in it facts which could not be got from one source alone, even the Ledger: facts collated from registers, correspondence files, travellers' reports, newspaper cuttings, catalogues, Board of Trade returns, etc. Here is one of its greatest advantages. It is a real asset, and, properly managed, it will produce results in increased trade, just as new machinery will increase the output of the manufacturer.

PROFESSIONAL RECORDS.— Medical and dental practitioners' case cards are very conveniently kept by the Card System. On the next page are sample cards used by such professional men. It will be seen that they take the place of the Ledger.

ARTICLE..... ....

Unit of Purchase .....

Unit of Sale .....

Freight . ..... per ton { measurement / weight.

Date Received	Per	From	Quantity	At	Draft	Freight	Duty	Landing Charges	Total	Cost per

Remarks

COST REGISTER.

STAFF CARD

Name — Address
Born — Entered Service — as — Rate
Pension Fund — Sick Fund — Insurance — Superannuation
Papers — Fine

RECORD

Date	From	Rate	Date	To	Rate

HOLIDAYS

Year											
Date											

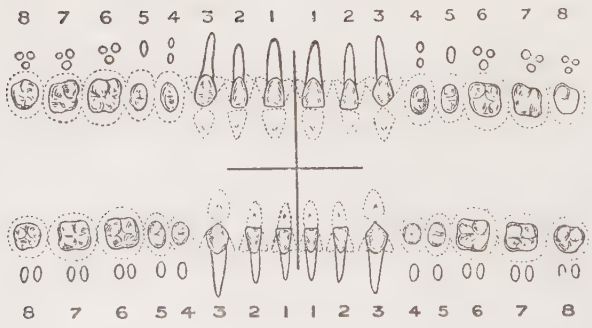
STAFF CARD FORM USED BY A GREAT TRANSPORT COMPANY.

9 15 30 45 10 15 30 45 11 15 30 45 12 15 30 1 15 30 45 2 15 30 45 3 15 30 45 4 15 30 45

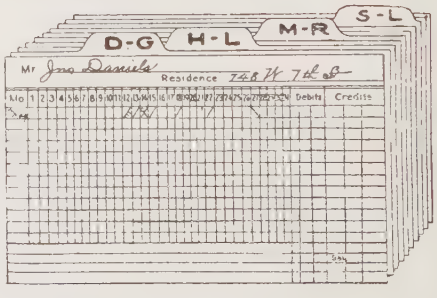
NAME ADDRESS

Date	Operation	Tooth	Debit	Credit	Date	Operation	Tooth	Debit	Credit

A DENTIST'S CARD (GLOBE-WERNICKE).



REVERSE SIDE.



A MEDICAL PRACTITIONER'S CARD (GLOBE-WERNICKE).

Copyright by Underwood & Underwood

"HACKLING" FLAX FOR LINEN

BUSINESS QUALITIES

Continued from page 585

ORIGINALITY

Originality is the crying need in business life. Competition is so fierce in the ordinary avenues of commerce, that only those who can find little-known, or untrodden bye-paths, can hope to succeed. As the greatest discoveries have been made by leaving the beaten tracks, so have the greatest enterprises been initiated by departing from the common and accepted lines of thought. With some men there is no originality. They do not think for themselves, the previous man's opinion being their opinion. We have heard it said that originality is the one thing unoriginal minds cannot see the use of. Thus it is that so many go through life copying or imitating others who have shown some initiative.

True, we cannot all expect, or be expected, to do really original work. Only a genius has the power to produce new thought, or combinations of new thought, which is originality in the highest sense. But there may be quite as much credit and advantage to be gained in grasping the ideas and suggestions of others and applying them to a useful purpose. Lowell said : " Originality consists quite as much in the power of using to purpose what is ready to hand, as in producing what is absolutely new." The fertile mind is constantly engaged in combining thoughts that are known, and from them creating new ideas. Sir David Brewster said : " Most new ideas of science probably arise from the union of old ones." A new and brilliant idea may come purely as a result of observation, or it may flash upon us in conversation or may be stimulated by reading a book or newspaper.

One need not be afraid of utilising other people's ideas so long as they are not slavishly followed. We must alter them according to our own experience and to suit our own particular need. But we must be careful to brand our work with the trade mark of originality.

We may also gain ideas through our failures. " Failures are, with heroic minds, the stepping stones to success." (*Haliburton.*)

Ideas may not come until we have reflected on what we have heard or seen, or read about. The exercise of the imagination must become a habit if we would show originality. The ideas may be gained from others, but the application of them must originate in our own minds. As Wordsworth said : " Nothing of itself will come, but we must still be seeking." We must use our own mental gifts. Every man has in him the power to originate if he will only exercise his faculties. Every man who thinks out his own business progress is original. The difference lies in the commercial value of his originality. How valuable a man's ideas will be, depends on his knowledge, his experience, his industry, and his character. The extent of originality will depend on the depth and range of native ability. " There is always room for a man of force," said Emerson, " and he makes room for many."

The development of originality is largely a matter of thought-force or will power. He who would be original, must concentrate on the achieved and the achievable. It is always possible to estimate probabilities, and by reasoning and analogy to calculate the risk of carrying out a plan. But there must be careful thought, for a badly conceived scheme cannot work well. We must not set limits to our talents, nor doubt our ability to accomplish our projects. Dr. Nansen has said : " Everything in life depends on what one has made up one's mind to do." By cultivating faith in our power to achieve things, the power to do them will grow. But even faith is of little use unless it is translated into action. However strong we may be in our beliefs, and however prolific in our thoughts, there will be no successful outcome of them unless we do things, or see that they are done. Each day must be made to count towards progress. We must be " ever reaping something new."

No one who would be original must be afraid of being dubbed a theorist. Every great scientist and inventor has worked from theory to practical attainment. Darwin was in the habit of forming a theory on every subject he studied. We must call in the aid of the imagination, which always deals with the things that might be. The stronger the imagination, the greater will be the originality of thought.

No definite rules can be laid down for the development of originality. No system can give a man genius. Observation and reflection are no doubt the most important elements. We must see things in microscopic detail, noting what the average man would pass by. The most insignificant things may serve the loftiest purposes, for, as Tupper says : " It was ever the gift of genius to build grandeur out of trifles." And, again, the same philosopher said : " Every shade of difference is colour to the keen eye." Above all, we must have a definite aim, and a singleness of purpose.

" The man who seeks one thing in life, and but one, may hope to achieve it before life is done." (*George Meredith.*)

COMMERCIAL ENGLISH

Continued from page 588

KEY TO EXERCISES IN LESSON XIII (p. 588).

1. The most important rules governing the Sequence of Tenses are—

(1) In a narrative the tense should not be changed suddenly from present to past, or from past to present.

(2) In a complex sentence the tense of the verb in the subordinate clause must correspond with the tense of the verb in the principal sentence.

(3) When the subordinate clause indicates purpose—

(*a*) If the verb in the principal sentence be *present* or *future*, the verb in the subordinate clause must be *present*.

(*b*) If the verb in the principal sentence be *past*, the verb in the subordinate clause must be *past*.

(4) A present or future tense may be followed by any tense.

(5) A past tense must be followed by a past tense.

2. (*a*) He approached the stranger and offered to conduct him to the house.

(*b*) So that I might become proficient I practised shorthand for two hours each day.

OR, So that I may become proficient I practise shorthand for two hours each day.

(*c*) In order that I might know exactly what to do I inquired of the chief official.

3. (*a*) In replying to a letter begin with a reference to the letter to which a reply is being made, and give a brief summary of its contents.

(*b*) In continuing a correspondence open with a reference to the previous letter and to the subject of the correspondence.

(*c*) In writing a letter of complaint be emphatic and straightforward without being blunt and offensive. Always express a complaint in courteous terms.

4. (*a*) In reply to your letter of the 5th instant in which you call our attention to the delay in the delivery of your order, R743, we desire to point out the following facts.

(*b*) Reverting to your communication of the 9th instant with reference to the proposed opening of a new branch, we have pleasure in stating that we have secured a suitable site in Norwood.

(*c*) Much to my regret I find myself obliged to complain of your continued inattention to my instructions for packing.

5. (*a*) Whom do you think I saw yesterday ?

(*b*) Each of you in his turn will enjoy the benefits to which he is entitled.

(*c*) Let each attend to his own shortcomings before worrying about those of other people.

(*d*) My cousin, who we thought had been taken prisoner, is now at home.

(*e*) In thirty-seven wrecks fortunately only five lives were lost.

LESSON XIV.

We now proceed to consider the writing of letters on various subjects.

1. **An Application for a Situation.** In the majority of cases an application for a position would be written in answer to an advertisement in a newspaper or trade journal.

It should state clearly the name of the journal or newspaper in which the advertisement appeared and the date of its appearance.

The nature of the position for which application is being made should be given.

Age, experience, qualifications, names of references, and all other material information should be given clearly and succinctly.

Although brief, the letter should be so complete as to render unnecessary any letter from the prospective employer asking for further information.

The letter should be courteous without being fawning or unduly humble in tone. A brief assurance of the applicant's endeavour to give satisfaction if he should be appointed is sufficient.

The applicant should obtain permission from his referees for the use of their names, but a statement to this effect need not appear in the application.

The following letter exemplifies all the rules given above—

5 Marsden Square,
Birmingham.
23rd May, 19...

Messrs. Johnson Bros.,
8 Alma Rd., Manchester.

Gentlemen,

In response to the advertisement which appears in "The Manchester Guardian" to-day, I beg to offer myself as a candidate for the position of foreign correspondent.

I am at present in the service of Messrs. Henry France and Sons, Continental Buildings, Birmingham, for whom I have acted as foreign correspondent during the last three years. As my present employers carry on an extensive trade with the Continent of Europe and South America, I have had a wide experience of correspondence in French, German, Spanish, and Portuguese.

I am 28 years of age and am married.

Messrs. Henry France and Sons are willing to afford you information with respect to my character and ability, and in addition I beg to refer you to Gaspard et Cie, Rue Napoleon, Paris.

Assuring you that, if you honour me by appointing me to the post, I shall endeavour to give you complete satisfaction,

I am, gentlemen,
Yours obediently,
William Goddard.

2. **Letter asking for Information with Respect to an Applicant for a Situation.** A letter of this kind would be the outcome of Letter No. 1.

It is a letter asking a favour.

It should, therefore, be brief, in order that the time of the referee be not wasted.

It should state clearly the circumstances in which the letter has been written, and the kind of information desired.

A promise to treat any information given as private and confidential should be included, and it is usual to give an assurance of the writer's readiness to return the favour should occasion arise.

It is not necessary to apologise for causing trouble.

The model given in Lesson XIII will serve as an example of this kind of letter.

The following letter arises out of Letter No. 1 given above—

8 *Alma Road,*
Manchester.
26th May, 19...

Messrs. Henry France & Sons,
Continental Bgs., Birmingham.

Gentlemen,

We have been referred to you for information with respect to the character and ability of Mr. William Goddard, who is an applicant for the position of foreign correspondent under us.

We shall be greatly obliged if you will kindly let us know how long Mr. Goddard has been in your service, whether or not you consider him capable of conducting engineering correspondence in German and Spanish, and the reason for his seeking to leave your firm.

Any information which you may send us we shall, of course, consider strictly confidential.

Assuring you of our readiness to render you similar assistance should occasion arise,

We are, gentlemen,
Yours faithfully,
p.p. Messrs. Johnson Bros.,
William Brown,
Manager.

3. **Letter giving Information as to Character.** This would arise out of Letter No. 2.

It should go straight to the point and give the information desired as briefly as possible.

Responsibility for the effects of the information supplied should be disclaimed, especially if an unfavourable report is given.

The following letter will serve as an example—

Continental Buildings,
Birmingham.
28th May, 19...

Messrs. Johnson Bros.,
8 Alma Rd., Manchester.

Gentlemen,

We have received your letter of the 26th inst. asking for information with respect to the character and ability of Mr. William Goddard.

In reply, we have pleasure in stating that Mr. Goddard has been in our service for the last three years, and during the whole time has given us complete satisfaction.

We have an extensive business with France, Germany, and South America, and during the last eighteen months, the correspondence with these countries has been in the sole charge of Mr. Goddard.

Although ours is not an engineering business, we are quite confident that Mr. Goddard is competent to meet your requirements.

Purely family reasons have caused Mr. Goddard to seek a position in Manchester.

We hope that he will be successful in his application, but we shall be very sorry to lose him.

Please understand that we disclaim all responsibility for the statements contained in this letter.

We are, gentlemen,
Yours faithfully,
Henry France & Sons.

4. **Letter Announcing Change in the "Personnel" of a Firm.** This would be a circular letter addressed to all customers.

It should state very clearly the nature of the change that is about to take place.

If possible, the reason for the change should be given.

Besides giving the names of the persons leaving or joining the firm, the letter should state what changes, if any, will take place in the method of conducting the business.

An expression of thanks for past favours, a courteous request for their continuance, and a promise to do all that is possible to merit future favours should bring the letter to a close.

17 *Bridgewater Place,*
Birmingham.
28th May, 19...

Mr. Henry Frensham,
8 York St., Manchester.

Dear Sir,

We have the honour to inform you that, owing to ill-health, Mr. John Hudson finds it necessary to retire from business.

Mr. Hudson has been the senior member of this firm from its foundation in 1875, *and we assure you that it is with very great regret that we find ourselves about to lose the benefit of his great business ability and long experience.*

Consequent on Mr. Hudson's retirement, we find it necessary to change the name of the firm from "John Hudson, Sons, and Company" to

HUDSON AND COMPANY.

We have pleasure in stating, however, that the business will be carried on at the same premises and on exactly the same lines as heretofore.

We trust that the favours which you have extended to the firm in the past will be continued in the future, as we can assure you that no efforts will be spared to carry out to your perfect satisfaction any orders with which you may favour us.

We have the honour to remain,

Yours obediently,

Hudson and Company

(late John Hudson, Sons, and Company).

5. Letter Asking for Names of Referees. A letter of this kind would arise out of an order from an unknown customer.

As a rule, a person of secure commercial stability would, on sending a first order, give the names of two referees.

If this were not done, it would be necessary to write such a letter as we are considering before completing the order.

Although the person sending the order is unknown to you, he may be perfectly sound in a commercial sense and a desirable customer.

It will be necessary, therefore, carefully to avoid any expression likely to give the least offence.

42 Beaumont Place,
London, S.E.
2nd June, 19...

Mr. Henry Jordan,
8 Leslie St., Bradford.

Dear Sir,

We received this morning your esteemed order of the 31st ult., for which we thank you.

The matter is already receiving our very careful attention, and we hope to be able to forward the first portion of the goods on Thursday next, the 5th instant.

It is our invariable practice, on receiving orders from new customers, to ask for the names of two substantial referees.

We believe that your order of the 31st ultimo is the first with which you have honoured us, and we shall, therefore, be greatly obliged by your sending us, as soon as convenient, the names of two firms of standing in your town.

Immediately after the receipt of the information or of your cheque for the amount of the invoice, which you will find enclosed herewith, we shall have great pleasure in dispatching the goods by passenger train.

We have the honour to be,

Your obedient servants,

John and James Wickson.

[*Enclosure.*]

6. Letter in Reply to a Complaint. A letter in explanation of delay in the execution of an order needs very careful treatment. Various circumstances may have been the cause of the delay. It may have arisen from forgetfulness or even neglect on the part of yourself or your servants; we believe that in such circumstances a frank and straightforward apology will produce a more satisfactory effect upon your aggrieved customer than lame excuses.

The delay may have been caused by the neglect of the carriers. When this is the case, although you are not responsible, your letter should contain an expression of regret for the inconvenience to which your customer has been put, and assurances that you have caused inquiries to be made, in order to discover the cause of delay so that the matter may be put right.

Remember that the non-arrival of the goods has given your customer good ground for annoyance, and it would, therefore, be very improper and unwise on your part bluntly to disclaim responsibility.

The following letter is offered as an example—

Alma Mills,
Sheffield.
10th June, 19...

Mr. John Broadhurst,
46 Bright St., Durham.

Dear Sir,

We regret to learn from your letter of the 9th inst. that the case of cutlery which you ordered of us on the 25th ultimo has not yet been delivered.

We were aware from the letter which accompanied your order form that you desired prompt delivery, and we took special care to ensure that there should be no delay.

The case was handed over to the Goods Department of the North-Eastern Railway Company for dispatch by passenger train on the 29th ult., and we enclose herewith a copy of the form of receipt we had from the department.

By the same post as this we have sent a sharp inquiry to the railway company. Immediately on receipt of their reply we shall write to you again; but we think it would be well if you wrote direct to the company in order to add weight to our complaint.

We sincerely regret the great inconvenience you have been caused, and trust that, as a result of our pressure on the railway company, you will receive the goods to-morrow.

Please let us know when the case has been delivered.

We remain, dear Sir,

Yours obediently,

The Alma Cutlery Co.

[*Enclosure.*]

EXERCISES.

1. Write a circular letter announcing the opening of a new branch of your business.

2. Write a letter in reply to No. 1, asking for further particulars as to trade terms.

BOOK-KEEPING

Continued from page 593

LESSON XIV.

ERRORS NOT DISCLOSED IN TRIAL BALANCE.—The Trial Balance, which, in the foregoing lesson, has been prepared from the books of A. Brown, does not supply us with much information as to the financial position of Brown, nor does it reveal the result of his trading.

The fact that the totals of its debit and credit columns agree, proves only the arithmetical accuracy of the records. But, even here, the proof is not conclusive, because the following classes of error may exist and yet be unrevealed by the Trial Balance—

(1) **Errors of Omission.** If, by any chance, any single transaction had been omitted from the books, as, for instance, the omission of the sale of tobacco valued £140 to R. Burton, on Jan. 12, from the Sales Day Book, the Trial Balance would still agree in total, because one debit and one credit of equal value would have been omitted, since, if the item was not entered in the Sales Book, it would not, of course, be posted to the Ledger, and there would be nothing in the Trial Balance to indicate the omission.

(2) **Errors of Principle.** If the cheque for £95 paid to T. Jones & Co. on Jan. 4th had been posted to the Office Furniture Account instead of to the personal account of Jones & Co., the Trial Balance would still agree because there is still a debit for every credit, although in this case the debit would have been placed to the wrong account. This error of principle would not, therefore, be revealed by the Trial Balance. The effect would be that the office furniture would be stated as £190 instead of £95, and Jones & Co. would still appear as creditors for £95, although the debt had actually been paid.

(3) **Compensating Errors.** If the sum of £2 10s. received on Jan. 9th for the sale of tobacco had been posted to the credit in the Ledger as £2 and the casting of the Sales Day Book had been over-added by 10s., the Trial Balance would not be in disagreement, because the cash sales balance in the credit column would be 10s. too little, whilst the balance of the Sales Account in the same column would be 10s. too much. The errors would compensate each other without the Trial Balance revealing their existence.

(4) **Errors of Extension in Subsidiary Books.** If the sale of cigars to J. Bishop on Jan. 8th had been recorded as £110 (i.e. £10 less than the actual figure), the Trial Balance would still be in agreement. The sale, appearing in the Sales Book as £110, would also appear in J. Bishop's account as £110; and therefore, having an equal debit for the credit, the Trial Balance would be unaffected, and the error would remain undiscovered.

FURTHER INFORMATION NECESSARY.—Assuming, however, that no errors of the nature referred to above have occurred, we still require some further information beyond the disclosure of the fact that the entries made are arithmetically correct. In order to obtain this further information, it becomes necessary to prepare (1) a Trading Account and (2) a Profit and Loss Account.

These accounts are the most important accounts in the books, since they sum up the result of all the transactions recorded. Together with the Balance Sheet, they form the main objective which the book-keeper has in mind whilst he is making the record of each detailed transaction.

THE TRADING ACCOUNT.—The purpose of preparing a Trading Account is to ascertain the amount of "*Gross Profit*" earned by trading.

Gross Profit is the excess of the selling price of an article over its cost price.

Any expense which may attend the purchase or sale of the article does not here enter into consideration. That will be dealt with later. The Trading Account does not, of course, deal with the purchase and sale of single articles, but with the total result of the purchase and sale of a number of articles within a specified period, known as the trading period.

STOCKTAKING.—If the correct gross profit is to be ascertained, it will be clear that it is necessary to take into account the articles remaining unsold at the opening and close of the trading period. A list of the unsold articles at the close of each trading period is, therefore, prepared and a valuation placed upon them. This is known as a "schedule of the stock," and the process of listing and valuing the articles is known as "taking stock."

The essential principle of stocktaking is that "the stock shall be valued *at cost price or market price, whichever is the lower.*" The basis of this principle is another principle of sound finance, which states that "*no profit shall be taken credit for until it is realised, and any loss which can be anticipated must be provided for in advance.*" If goods are taken into stock at selling price, the profit, which would be realised only when the stock is actually sold, is anticipated, since the selling price includes the profit. On the other hand, if the market price of the goods unsold has fallen since the goods were purchased, a loss has already been sustained, and it is considered a wise financial provision that such a loss should be anticipated and provided for in advance. Hence the principle set out above.

The need for, and effect of, introducing into the accounts the unsold stock at the close of the period's trading is illustrated below—

If I purchase for re-sale	100 articles	
and at the close of the period the number of articles unsold is ..	25	
it follows that I have actually sold ..	75 articles	
Hence if I purchase	100 articles at £1 each, they cost together ..	£100
If at the close I have	25 articles in stock at £1 each, their total cost is ..	£25
It follows that I have sold	75 articles, which cost	£75
On examining my Sales Book I find that I have sold goods to the value of		£150
and from the above statement I know that these goods cost		£75
I have, therefore, upon the goods actually sold, made a Gross Profit of		£75

which a close examination of my sales proves to be correct, for I find that I have sold 75 articles at £2 each which cost me only £1 each.

From the foregoing it follows that if the Trading Account is to reveal the gross profit, it must contain (1) the purchases of the period, (2) the sales of the period, and (3) the stock at the close of the period.

Now, the total purchases made are recorded in the Purchases Account, and on reference to that account they will be found to be represented by a debit balance. We, therefore, close the account by transferring the balance, by an entry on the credit side of the account, to the debit of the Trading Account. In Journal form the entry is—

Trading Account *Dr.*
To Purchases Account.

Similarly the total sales of the period appear as a credit balance on the Sales Account, which is also closed by a transfer to the credit of Trading Account, thus—

Sales Account *Dr.*
To Trading Account.

There must now be brought into account the stock on hand. As will be seen from the illustration above, it is necessary to deduct the stock on hand from the purchases. Therefore, the stock is placed on the *credit* side of the Trading Account, which is equivalent to deducting it from the purchases, which appear on the debit side of the same account. To complete the double entry, a "*Stock Account*" is opened, which is *debited* with the sum *credited* to the Trading Account in respect of this item. Stock on hand is, of course, an asset of the business, and this entry has the effect of introducing the stock into the books as an asset recorded by a debit balance appearing upon a real account. The Journal entry would be—

Stock Account *Dr.*
To Trading Account.

PREPARATION OF TRADING ACCOUNT.—First, the balance of the Purchases Account, which amounts to £3,365, must be transferred to the debit of the Trading Account.

Secondly, the balance of the Returns Outwards Account must be considered. This balance would in the ordinary course be transferred to the credit of the Trading Account; but, inasmuch as the goods returned were originally included in the amount debited to the Purchases Account, the effect of their return is to reduce the amount of the net purchases made. If, therefore, we *deduct* the returns outwards from the balance of the Purchases Account shown in the Trading Account, we shall get a clearer statement of the value of the net goods used for trading.

Dr. TRADING ACCOUNT.—MONTH OF JANUARY, 19.. *Cr.*

19..		£	s.	d.	I.L.	£	s.	d.	19..		£	s.	d.	I.L.	£	s.	d.
Jan. 31	To Purchases	3,365	0	0	211				Jan. 31	By Sales ..	2,228	10	0	217			
	Less Returns Outwards	120	0	0	I.L. 219	3,245	0	0		Less Returns Inwards	75	0	0	I.L. 218	2,153	10	0
,, ,,	,, Balance c/ down ..				√	158	10	0	,, ,,	,, Stock				I.L. 90	1,250	0	0
						£3,403	10	0							£3,403	10	0
									,, ,,	,, Balance b/down, being Gross Profit				√	158	10	0

90. *Dr.* STOCK ACCOUNT. *Cr.*

19..			£	s.	d.					
Jan. 31	To Trading Account ..	P.L.	1,250	0	0					

We must next transfer to the credit of the Trading Account the balance of the Sales Account, which stands at £2,228 10s. Here, again, the question of the returns inwards arises. As the returns outwards reduce the net amount of purchases, so do the returns inwards reduce the net amount of the sales. Therefore, to be consistent, instead of transferring the balance of the Returns Inwards Account to the debit of the Trading Account, we carry out the same effect by showing it as a deduction from the gross sales made.

Finally, the stock, which Brown values at £1,250, must be credited to the Trading Account and debited to a Stock Account.

Set out in the form of the Statement appearing earlier in this lesson, the Trading Account would read—

Purchases (Net) cost	£3,245 0 0	
Deduct—		
Stock unsold at cost	1,250 0 0	
Cost of Goods actually sold ..	£1,995 0 0	
Sales actually made	2,153 10 0	
Leaving a Gross Profit of ..		£158 10 0

It should here be explained that if any stock was in existence at the commencement of a period, it would appear in the books as a debit balance ; and when the period of trading is ended it would be necessary to transfer this balance to the *debit* of Trading Account, because (1) it is no longer an asset ; and (2), although it is not purchased within the new trading period, it is available for sales, and must, therefore, be added to the purchases of the period, because it forms part of the cost of subsequent sales. This may be set out as follows—

Stock unsold at opening of period	75 articles	at £1 =	£75
Purchases in new period ..	80	do.	£80
Total articles available for sale =	155	do.	£155
Stock unsold at close of period	60	do.	£60
∴ goods actually sold number	95	at a cost of	£95
If the sales of the period were	95	at a value of	180
The Gross Profit would be			£85

Brown's next month's Trading Account might, therefore, appear as below.

Observe that the closing stock of January has become the opening stock of February, and that a new balance, representing stock on hand at the end of February, appears to the debit of Stock Account.

GROSS PROFIT.—Before proceeding further, it will be advisable for the student to understand the advantages of ascertaining gross profit.

The first advantage is that it makes possible the ascertainment of the percentage of gross profit either upon cost, or, as is more usual, because it is more easily effected—upon "*turnover*" (i.e. sales). In most businesses the amount of gross profit is fairly stable ; and if the percentage of gross profit on sales during consecutive periods varies considerably, it will point to the existence of some error, either in the stocktaking, or in the records of the sales and purchases.

A second advantage lies in the fact that in some concerns the knowledge of the amount of gross profit being earned forms a ready, if somewhat unscientific, method of fixing the selling prices of the goods in which the firm deal.

Dr. TRADING ACCOUNT.—MONTH OF FEBRUARY, 19.. *Cr.*

19..		£ s. d.	I.L.	£ s. d.	19..		£ s. d.	I.L.	£ s. d.
Feb. 1	To Stock		90	1,250 0 0	Feb. 28	By Sales ..	3,028 0 0	217	
Feb. 28	,, Purchases	2,640 0 0	I.L. 211			Less Returns	28 0 0	I.L. 218	3,000 0 0
	Less Returns	100 0 0	I.L. 219	2,540 0 0				I.L.	
,, ,,	,, Balance c/d		√	250 0 0	,, ,,	,, Stock		90	1,040 0 0
				£4,040 0 0					£4,040 0 0
					,, ,,	,, Balance b/d, being Gross Profit ..		√	250 0 0

90. *Dr.* STOCK ACCOUNT. *Cr.*

19..			£ s. d.	19..			£ s. d.
Jan. 31	To Trading Account ..	P.L.	1,250 0 0	Feb. 1	By Trading Account ..	P.L.	1,250 0 0
19.. Feb. 28	,, Do. do.	P.L.	1,040 0 0				

Note. The letters "P.L." are intended to refer to the "*Private Ledger.*"

SHORTHAND

Continued from page 595

KEY TO EXERCISE 43.

1. Recipe, artist, Orkney, arguing, oral, orphan, refine, ravine, mirthful, margin.

2.

3.

KEY TO EXERCISE 44.

1.

2.

3.

KEY TO EXERCISE 45.

1.

2.

3.

4.

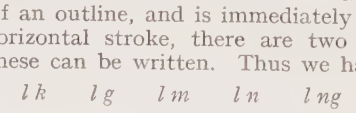
5.

LESSON XIV.

UPWARD AND DOWNWARD *L*.—As you know, there is no difference in shape between the upward and downward *l*, the only difference being in the direction in which it is written. Now why should not *l* be always written in the same direction? First and chiefly, the direction is changed for purposes of vowel indication.

L **the Initial Stroke.** When *l* is the initial stroke of an outline, and is immediately followed by a horizontal stroke, there are two ways in which these can be written. Thus we have—

l k *l g* *l m* *l n* *l ng*



The forms shown on the first line can only be employed when a vowel precedes the combination, and the forms shown on the second line when *no vowel* precedes.

Try to make as many words as you can commencing with these combinations, remembering to put a vowel before *l* in the case of line 1.

You will get *elk*, *alike*, *Aleck*, *alkali*, *alchemist* (from which the name *chemist* originated), *alcove*, *Olga*, *Elgin*, *elm*, *alum*, *alone*. (You will probably want to know why the *hook n* is not used here. You will have the answer to your question in the next Lesson.) *alongside*, etc.

The second line will produce words like *Luke*, *lucky*, *log*, *legacy*, *lamb*, *long*.

Note, however, that in the case of the outline a final vowel is indicated by the use of the stroke *n*; hence *Luna*, *lunacy*, *Lena*.

This special use of etc., does not apply when a circle or loop precedes the *l*; hence we write *ilk*, but *silk*, *silken*, *swelling*, *stealing*, *select*, *silicate*.

For convenience of joining, the downward *l* is also written before *s n*, *s ng*, *s nr*, *s v*, in the words *Lawson*, *listen*, *listener*, *lacing*, *elusive*.

L **generally up.** From the above examples you will see that there is really not a large number of words in which the downward *l* is used initially, as, besides there are few cases of downward initial *l*.

L, when alone, or before any other strokes than those shown above, is always upward, whether an initial vowel precedes or not. Thus we have *ill*, *sill*, *still*, *swill*, *hill*, *Alpine*, *elbow*, *Alton*, *Latin*, *elfish*, *lavish*, *liner*, *Eleanor*, *slinger*, *Oliver*, *lever*, *leather*, *elder*, *liquor*, *lugger*.

Remember, then, that an initial vowel does not necessarily take a downward *l*. This is only the case with the five forms The downward *l* is the exception.

EXERCISE 46.

1. Eel, seal, sulky, lane, Ellen, sullen, stolen, alike.
2. Loam, alum, Salem, slime, almanac, seldom, heals.
3. Alf., laugh, lupins, Alpine, elevens, Leven, lemons.
4. Alder, Leitrim, allegro, licenses, Alphonso, elegy, Elgin.

***L* Finally.** Here again the direction of the *l* may be used to serve, in some cases, as an indication of the presence or absence of a final vowel. Thus, after the strokes and the straight upstrokes *l* may be written upward or downward. We have—

fl *vl* *sk l* *r l* *w l* *y l* *h l*

1.
2.

Finally, the combinations in line 1 are only to be used when *no vowel follows the l;* and the combinations in line 2 when *l is followed by a vowel.*

Compare *file, Filey; avail, villa; fall'n, felon; royal, royally; bewail, yell, yellow; scale, scaly.*

After *n* or *ng*, as a general rule, *l* should be written downwards, as a moment's trial will prove that this gives the sharper angle. Vowel indication here is ignored; hence we write, *nail, newly, wrongly, snail, Swanley, Stanley, swan-like, aniline.*

After other strokes than those mentioned in the last two paragraphs, the upward *l* must be used regardless of vowels; thus, *Paul, Pollie, Powell; tall, towel, trial; dial, delay, dual; chill, Chile, jail, July, coil; collie; goal, gully, grill, eagerly; turmoil, trimly; shell, Shelley, leal, Lulu, smile, Simla; musical* (note the form of *sk l* here).

EXERCISE 47.

1.
2. Trail, avail, smell, Nile, tile, reel, skull.
3. Appeal, anneal, bewail, dwell, refill, spill.
4. Instal, grimly, canal, frill, freely, scroll.

To revise a little, you will now see that vowel indication is only noted when *l* occurs initially before and finally when it occurs after In other cases, the *l* is written in that direction which produces the most flowing angle, but most often upwards.

The Influence of a Circle. After a *curve and a circle*, the *l* takes the direction of the curve and circle, so as to make a flowing outline; thus, *fossil, vessel, thistle, clothesline, Cecil, Moseley, muscle, nasal, noisily, callously, frizzle, Kingsley.*

After a *straight stroke and a circle*, *l* is written upward, to gain a forward movement of the pen; thus, *puzzle, Bisley, trestle, dazzle, chisel, jostle, castle, grizzly, closely, Basil, rustle, weasel, wisely.*

Medial *L*. Medially, as well as initially and finally, the more usual method of writing *l* is upward.

Hence we write *bulk, talc, milk, valid, Joliffe, Maltese, faulty, mileage*, etc.

There are, however, a few cases in which downward *l* gives a more compact outline with sharp angles. So we write *realm, column, volume, film*, and similar words.

EXERCISE 48.

1. Appeal, apple, suddenly, manual, humanely, Malton.
2. Fulmination, voluminous, align, illumination, luminous.
3. Lips, Alps, dozingly, hilly, revulsion, revolution.
4. Kennel, canals, denial, spiral, chrysalis, domicile.

COMMERCIAL ARITHMETIC

Continued from page 598

ANSWERS TO EXERCISE M.

1. £866 14s. 6d.
2. £379 19s. 2d.
3. £592 4s. 9d.
4. The first. In 3 years, £2,250 at 4 per cent. amounts to £2,530 19s. (nearly).
5. £191 12s. 1d.

LESSON XIV.

ANNUITIES.—An annuity is a payment made at equal intervals of time over a definite period. The payment may be made annually, or instalments may be paid half-yearly or quarterly. When the annuity is to continue for a given number of years, it is called an *annuity-certain* to distinguish it from annuities which depend on certain contingencies (e.g. the life of a person). If the payments are to continue for ever, the annuity is termed a *perpetuity* or a *perpetual annuity*. An annuity may be capitalised by finding the total of all the payments, with the interest accrued. This is called the amount of the annuity.

EXAMPLE. Find the amount of an annuity of £50 payable for 5 years, reckoning interest at 4 per cent. per annum.

The annual payment is made at the end of the year. The first payment would be made at the end of the first year. If the annuity were £1, it would amount in 4 years to $1{\cdot}04^4$. The second instalment would be paid at the end of the second year; and, therefore, interest would be charged for 3 years. The amount of £1 for 3 years at 4 per cent. is $1{\cdot}04^3$. Similarly, the amount of the third payment would be $1{\cdot}04^2$; the fourth, 1·04; and the fifth, 1.

Hence the amount of the annuity would be the total of these five amounts.

∴ Amount of annuity of £1 for 5 years, at 4%
$= 1{\cdot}04^4 + 1{\cdot}04^3 + 1{\cdot}04^2 + 1{\cdot}04 + 1$

We can find these values by referring to the Table of Amounts of £1 at 4 per cent., given in Lesson XIII.

Amount of £1 in 4 years	=	1·169858
,, ,, 3 ,,	=	1·124864
,, ,, 2 ,,	=	1·0816
,, ,, 1 ,,	=	1·04
,, ,, last payment	=	1·
Total	=	5·416322

∴ Amount of £1 per annum for 5 years at 4%
= £5·416322

∴ Amount of £50 per annum for 5 years
$= 50 \times 5{\cdot}416322$
= 270·816
= £270 16s. 4d.

EXAMPLE. How much must be set aside each year to replace an asset worth £1,000 at the end of 4 years? Interest at 5 per cent.

Let the annual sum be £1.

Then the first £1 would amount in 3 yrs. to $1{\cdot}05^3$
,, second ,, ,, 2 yrs. to $1{\cdot}05^2$
,, third ,, ,, 1 yr. to 1·05
,, fourth ,, ,, to 1

Let S = the total of these amounts

Then $S = 1{\cdot}05^3 + 1{\cdot}05^2 + 1{\cdot}05 + 1$
(from table) $= 1{\cdot}157625 + 1{\cdot}1025 + 1{\cdot}05 + 1$
$= 4{\cdot}310125$

£4·310125 is the amount of £1 per ann.

∴ £1,000 ,, ,, $\frac{1{,}000}{4{\cdot}310125}$,,

£232 0s. 3d. ,,

4·3·1·0·1 2·5)10000000(232·0118

1379750

..86712

510

79

36

∴ Annual amount = £232 0s. 3d.

EXAMPLE. Find the amount of annual payments of £232 0s. 3d. at the end of each year for 4 years, reckoning interest at 5 per cent.

If the solution of the previous example is correct, the amount should be £1,000.

232·012 1st payment at end of 1st yr.
11·6006 interest for 1 yr.
232·012 2nd payment at end of 2nd yr.

475·6246
23·7812 interest for 1 yr.
232·012 3rd payment at end of 3rd yr.

731·4178
36·5709 interest for 1 yr.
232·012 4th payment at end of 4th yr.

1000·0007

Alternative Method—

Let S = amount of payments of £1 per annum for 4 years at 5%.

Then $S = 1{\cdot}05^3 + 1{\cdot}05^2 + 1{\cdot}05 + 1$

$= 1{\cdot}157625 + 1{\cdot}1025 + 1{\cdot}05 + 1$

$= 4{\cdot}310125$

∴ Amount of £232·012 per annum

$= 232{\cdot}012 \times S$

$= 232{\cdot}012 \times 4{\cdot}310125$

$= £1{,}000$

232·012 × 4·310125

928·048
69·6036
2·3201
232
46
12

1000·0007

The amount of £1 per annum for 1, 2, 3 . . . years is so important, that the values have been tabulated. These values are obtained from the Table of Amounts of £1.

£1 payable at the end of 1 year is worth £1 at the end of the year.

£1 set aside at the end of the first year would be worth £1·05 at the end of the second, if interest were reckoned at 5% ;

∴ £1 invested at 5% at the end of each year for 2 years would amount to 1·05 + 1 (i.e. 2·05) ;

£1 per annum for 3 years would amount to 1·1025 + 1·05 + 1.

That is, it would amount to 1·1025 more than the amount of £1 per annum for 2 years. And 1·1025 is the amount of £1 in 2 years. Hence, a *Table of Amounts of £1 per annum* may be constructed from the *Table of Amounts of £1.*

AT 5%.

Years.	*Amount of £1.*	*Amount of £1 per ann.*
1	1·05	1·
2	1·1025	2·05
3	1·157625	3·1525
4	1·215506	4·310125
5	1·276282	5·525631
6	1·340096	6·801913
7	1·407100	8·142009
8	1·477455	9·549109
9	1·551328	11·026564
10	1·628895	12·577892

Find the amount of an annuity of £1 left unpaid for 10 years, interest being reckoned at 5 per cent.

£1 in 10 years at 5% amounts to $1{\cdot}05^{10}$.

∴ the accumulated interest = $1{\cdot}05^{10} - 1$.

This has been calculated annually at 5% or ·05 ;

∴ ·05 per year amounts to $1{\cdot}05^{10} - 1$ in 10 yrs.

Hence 1 ,, ,, $\dfrac{1{\cdot}05^{10} - 1}{{\cdot}05}$ in 10 yrs.

∴ £1 per yr. for 10 yrs. amounts to $\dfrac{1{\cdot}05^{10} - 1}{{\cdot}05}$

,, ,, ,, $\dfrac{1{\cdot}628894 - 1}{{\cdot}05}$

,, ,, ,, $\dfrac{{\cdot}628894}{{\cdot}05}$

$= 12{\cdot}57788$

Generally, if i = interest on £1 ; n = number of years.

Amount of £1 per annum for n years (or S)

$$= \frac{(1+i)^n - 1}{i}$$

EXAMPLE. Find the amount of an annuity of £30 payable for 9 years, reckoning interest at 4%.

$$S \text{ for 9 years} = \frac{(1+i)^9 - 1}{i}$$

$$= \frac{1{\cdot}04^9 - 1}{{\cdot}04}$$

$$= \frac{1{\cdot}423308 - 1}{{\cdot}04}$$

$$= \frac{{\cdot}423308}{{\cdot}04}$$

$$= 10{\cdot}5827$$

∴ £30 per year amounts to 30 × 10·5827

= 317·481

= £317 9s. 8d.

Present Value. The present value of an annuity is the sum which must be paid now to meet the individual payments as they fall due. Hence the present value of an annuity is the purchase price. Just as the amount of an annuity was the capitalised value at the end of the term, so the present value is the capitalised value at the beginning. We may find the present value of an annuity by finding the sum of the present values of the individual payments.

The present value of £1 due 1 yr. hence $= \dfrac{1}{1+i}$

,, ,, £1 ,, 2 yrs. ,, $= \dfrac{1}{(1+i)^2}$

,, ,, £1 ,, 3 ,, ,, $= \dfrac{1}{(+i)^3}$

,, ,, £1 ,, n ,, ,, $= \dfrac{1}{(1+i)}$

The values of the individual amounts may be found by ordinary division, by logarithms, or from tables.

EXAMPLE. Find the present value of an annuity of £1, continuing for 4 years at 3 per cent., interest convertible yearly.

The last payment would be made at the end of

the fourth year; hence its present value will be $\frac{1}{1{\cdot}03^4}$. Similarly, the present values of the 3rd, 2nd, and 1st payments will be—

$$\frac{1}{1{\cdot}03^3}, \quad \frac{1}{1{\cdot}03^2}, \quad \frac{1}{1{\cdot}03}, \text{ respectively.}$$

Hence the present value of the annuity will be—

$$\frac{1}{1{\cdot}03^4} + \frac{1}{1{\cdot}03^3} + \frac{1}{1{\cdot}03^2} + \frac{1}{1{\cdot}03}$$

(i.e. the sum of the present values of £1, due 4 years hence, 3 years hence, 2 years hence, and 1 year hence).

From the table showing the present value of £1 at 3 per cent., given in the previous lesson—

P.V. of £1 due 4 years hence at 3%	=	·888486
,, ,, 3 ,, ,, ,,	=	·915140
,, ,, 2 ,, ,, ,,	=	·942594
,, ,, 1 year ,, ,,	=	·970872
∴ P.V. of annuity of £1 for 4 years	=	3·717092

It is obvious that the present value of an annuity of £1 for 2 years will be equal to the present value of £1 due 1 year hence, together with the present value of £1 due in 2 years. To obtain the present value of an annuity of £1 for 3 years, we should add the present value of £1 due 3 years hence to the amount previously obtained.

In this way we could prepare a Table of Present Values of Annuity of £1 at 3 per cent.

TABLE AT 3%.

Years.	*Present Value of £1.*	*Present Value of £1 per annum.*
1	·970872	·970872
2	·942594	1·913466
3	·915140	2·828606
4	·888486	3·717092
5	·862608	4·579700
6	·837484	5·417184
7	·813091	6·230275
8	·789409	7·019684
9	·766417	7·786101
10	·744094	8·530195

As the *amount* of an annuity is equivalent to the sum of the individual payments, with the accrued interest, it is evident that the present value of an annuity is equal to the present value of the *amount*.

Let annuity = £1; number of years = 9; and $i = ·04$;

$$\text{then Amount} = \frac{1{\cdot}04^9 - 1}{·04}$$

But, Present Value of 1 in 9 years at 4%

$$= \frac{1}{1{\cdot}04^9}$$

$$\therefore \text{ Present Value of Amount} = \frac{1{\cdot}04^9 - 1}{·04} \times \frac{1}{1{\cdot}04^9}$$

$$= \frac{1{\cdot}04^9 - 1}{1{\cdot}04^9 \times ·04}$$

$$\text{or, dividing by } 1{\cdot}04^9 = \frac{1 - \frac{1}{1{\cdot}04^9}}{·04}$$

The general formula for present value of 1 per ann.

$$= 1 - \frac{1}{(1+i)^n}$$
$$\frac{\quad}{i}$$

EXAMPLE. Find the purchase price (i.e. present value) of an annuity of £25 for 9 years, reckoning interest annually at 3 per cent.

$$\text{P.V. of annuity of £1} = 1 - \frac{1}{(1+i)n}$$
$$\frac{\quad}{i}$$

$$= 1 - \frac{1}{1{\cdot}03^9}$$
$$\frac{\quad}{·03}$$

$\frac{1}{1{\cdot}03^9}$ = present value of £1 in 9 years

= ·766417 (from Table)

$$\therefore \text{ P.V.} = \frac{1 - ·766417}{·03} = \frac{·233583}{·03}$$

= 7·7861 (compare with *Table*)

∴ P.V. of annuity of £25 = 25 × 7·7861

= 194·652 = £194 13s.

EXERCISE N.

1. Prepare Tables at 4 per cent. and at 5 per cent., showing (*a*) Present Value of £1; (*b*) Present Value of £1 per annum for 1, 2, 3 . . . . . 10 years.

2. Find the amount of an annuity of £52 forborne (i.e. left unpaid) for 7 years, reckoning interest at 5 per cent. per annum.

3. Find the present value of the following—

(*a*) An annuity of £30 to continue 8 years, interest at 4 per cent.

(*b*) An annuity of £70 paid half-yearly, to continue 5 years, interest at 6 per cent., convertible half-yearly.

4. A man borrows £900, and agrees to pay principal and interest in nine equal annual instalments, the first to be paid at the end of first year. If the interest is charged at the rate of 4 per cent. per annum, what should each instalment be?

HANDWRITING

Continued from page 599

LESSON XIV.

Large writing, necessary for headings and labels, needs to be done with pressure on the downstroke. This pressure should be applied with the first finger whilst the pen is moving. Never attempt to write large text hand unless you have two guiding lines to ensure the letters all being written the same size. If you write on a printed blue line, rule a faint pencil line above, which, of course, you will afterwards erase. You may also rule a line to give you the height of the capitals. It is well worth the trouble. Do not attempt to write a word throughout without lifting the pen. In large text hand, you may lift whenever convenient. In the upstrokes, push the pen up with the arm only. Let the movement be firm, steady, and rather slow. In the downstrokes, apply pressure to the first finger, but keep the pen moving whilst you are doing so. You should use discrimination and judgment in fixing the size of a capital letter, so that it may bear some relation to the small writing which it accompanies. Large text hand is often used for labelling books and parcels of documents to be put away on shelves or in cupboards. In such cases, the writing should be large enough to be read easily at a distance of 4 feet. A strong red ink line ruled under text writing throws it up boldly. Red ink lines may always be ruled under words which need to be emphasised.

EXERCISE XIV.

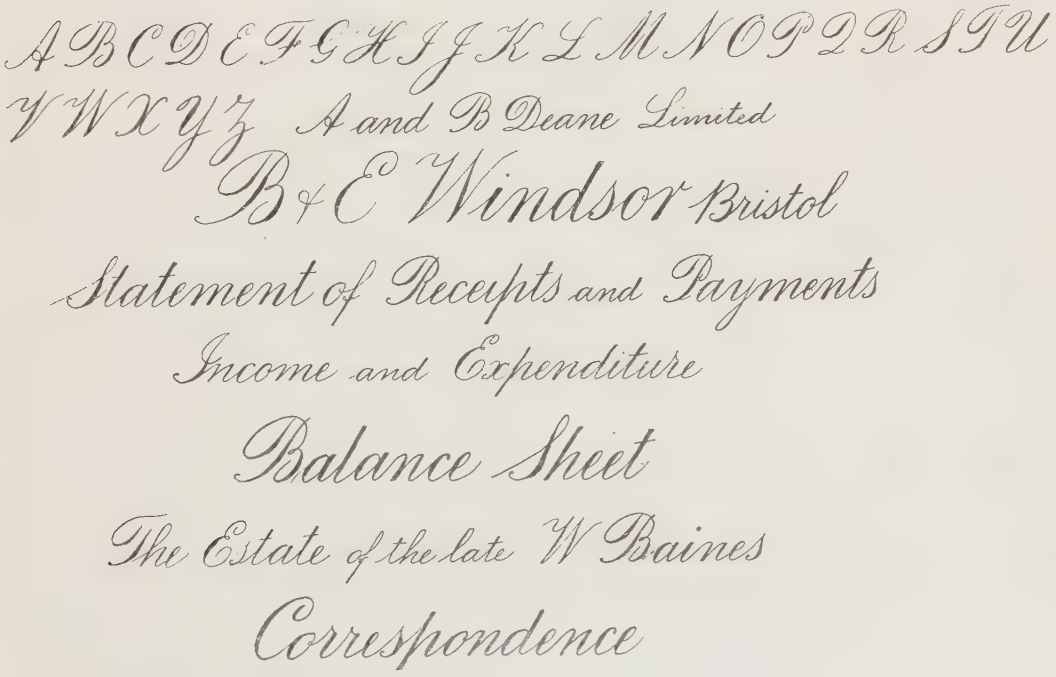

A B C D E F G H I J K L M N O P Q R S T U
V W X Y Z A and B Deane Limited
B & E Windsor Bristol
Statement of Receipts and Payments
Income and Expenditure
Balance Sheet
The Estate of the late W Baines
Correspondence

FIG. 16.

TYPEWRITING

Continued from page 601

LESSON XIV.

THE REMINGTON-WAHL ADDING AND SUBTRACTING TYPEWRITER.—This machine, as its name implies, does a great deal more than the ordinary work which we are accustomed to associate with the name "typewriter." In addition to typing, it adds or subtracts with unfailing accuracy columns of figures, no matter how lengthy, how intricate, or how many abreast, of course provided that we select a machine with a carriage wide enough to display the columns and that we set a totaliser for each column.

Its uses are manifold; for example, Plate 1 shows the machine set with four totalisers doing the work which we show in Plate 2, namely, typing and adding at one and the same operation the Invoice and the Day Book Sheet, and carrying out the amounts of the charges with two Departmental Columns.

Plate 3 shows the typewriter equipped with *ten* totalisers set for doing the work which we illustrate in Plate 4, namely, typing and adding the various columns in the Departmental Day Book, and recording the ten totals one at the foot of each column.

Again, Plate 5 shows a machine with two totalisers set for doing the work shown in Plate 6, that is to say, typing and adding the Invoice and making six copies of the customer's bill.

But, even then, we have not exhausted its uses, which are legion, as it may be employed to type, as shown in Plate 7, the Invoice, Counting house copy, Warehouse note, Packer's note, Dispatch and Receipt notes, all at one operation: in fact, anything in which adding or subtracting plays a part.

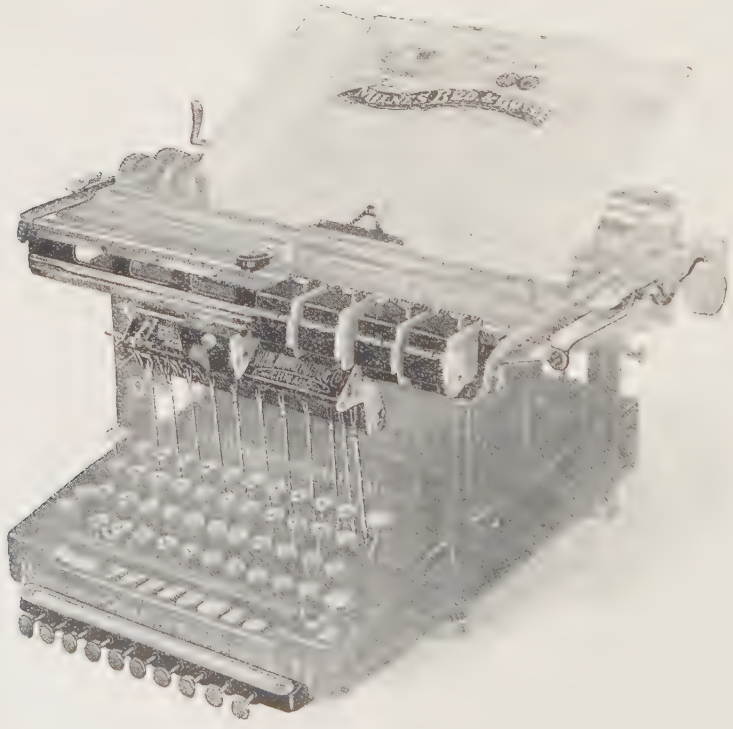


PLATE 1.

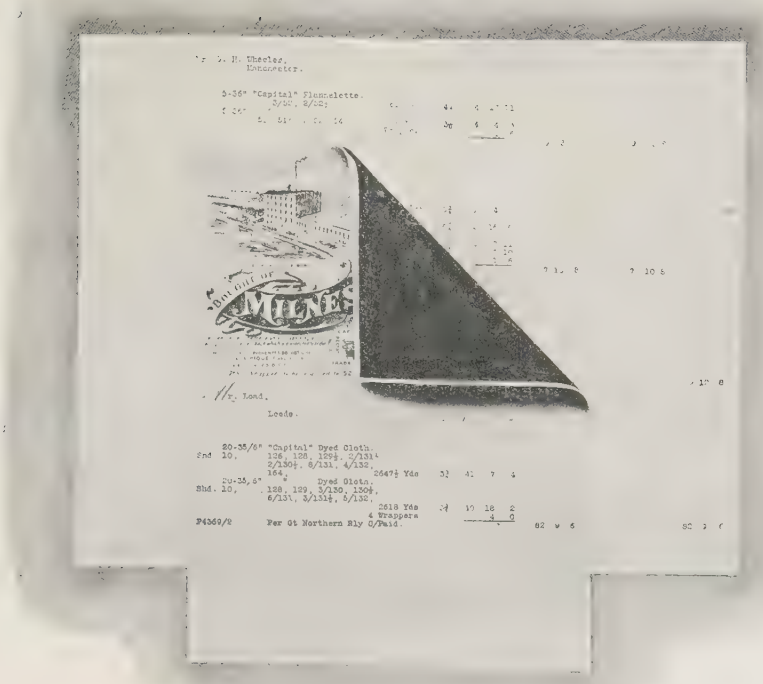


PLATE 2.

PLATE 3.

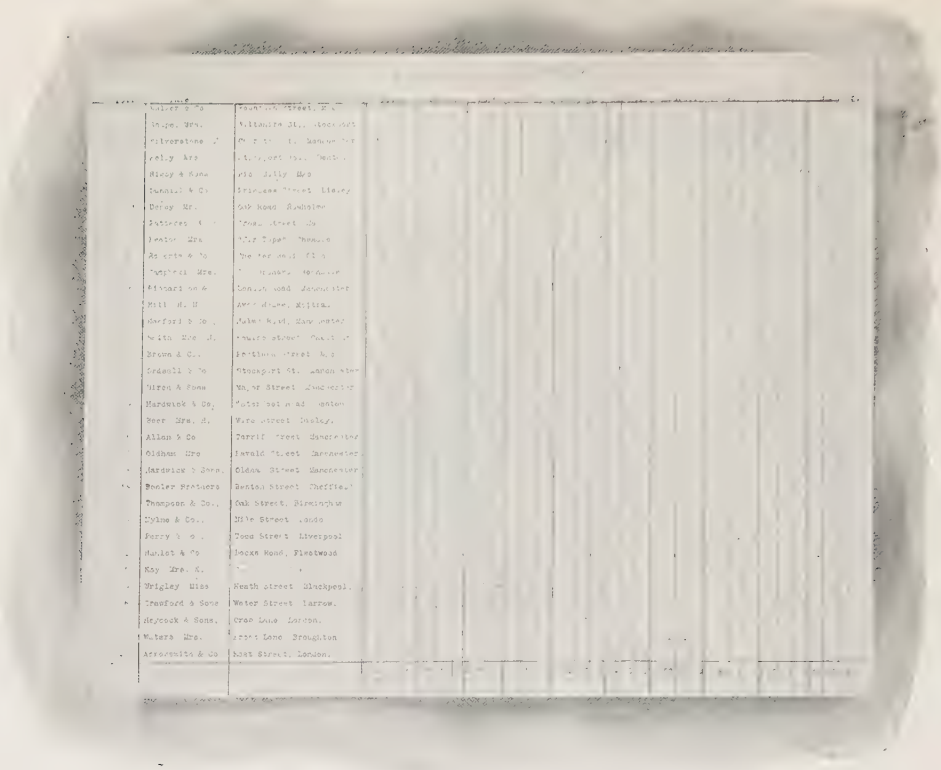


PLATE 4.

PLATE 5.

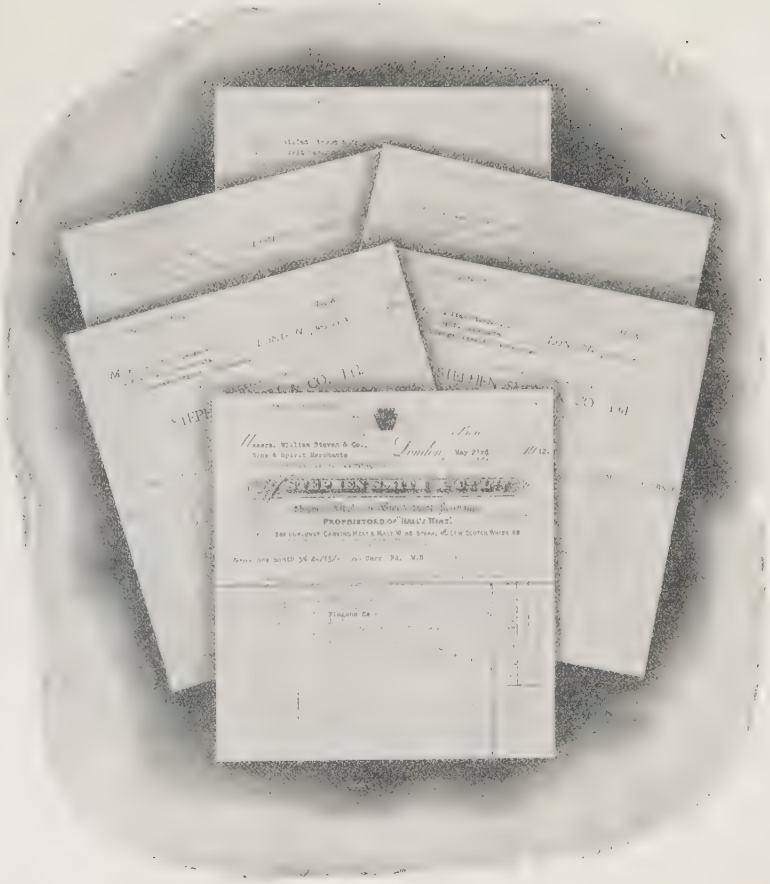


PLATE 6.

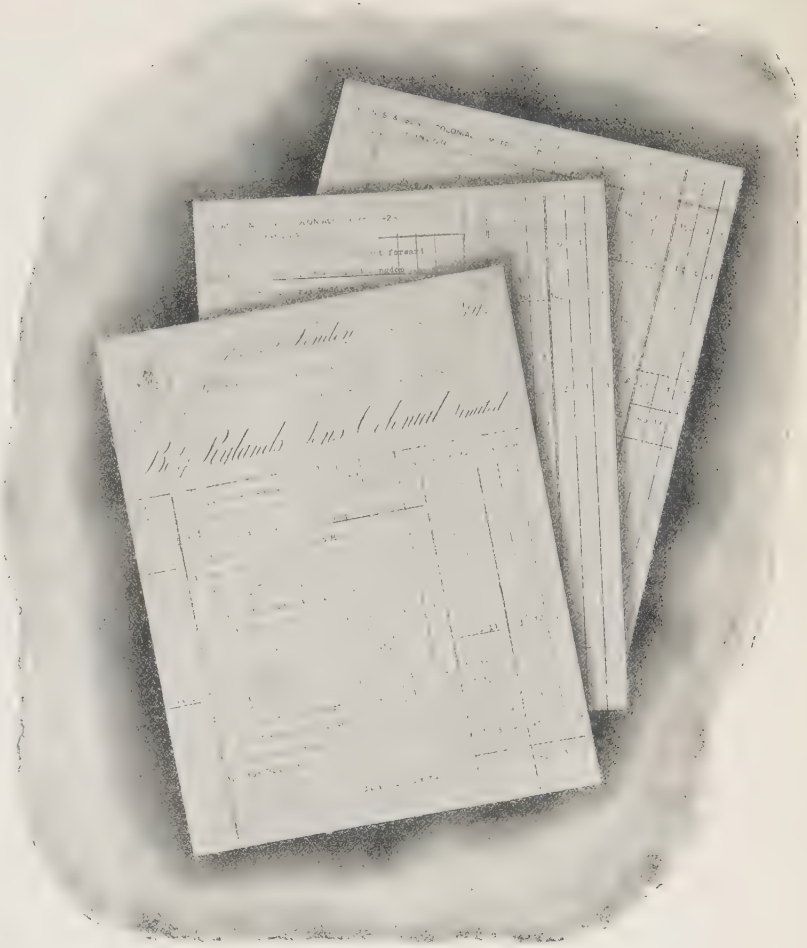


PLATE 7.

Exercise 25.

Type the following invoice, using a machine fitted with the Wahl Adding and Subtracting mechanism if possible. Rule neatly in red ink.

HALLIWELLS, LTD.

SEED AND BULB SPECIALISTS : :

Offices:
15 Green Street

eries:
The Uplands

15 Green Street,
READING, 30th Sep., 19.

J. B. Smithson, Esq.,
The Limes,
Oxford.

				£	s.	d.
100	Giant Yellow Crocuses.....	155	5/-		5	0
100	Mixed Tulips (Single).....	572	4/6		4	6
200	Spanish Iris (Mixed).....	331	2/6		5	0
50	White Madonna Lilies.....	14	4d. ea.		16	8
50	Tiger Lilies.....	19	4d. ea.		16	8
100	White Aconites.....	42	3/-		3	0
100	Chionodoxa (Luciliæ)	132	2/-		2	0
200	Single Snowdrops.....	191	2/-		4	0
50	Sweet Scented Single Jonquils	448	5/-		2	6
100	Hyacinths (No. 1 Collection).	1	21/-	1	1	0
				£4	0	4

Carriage Forward.

COMMERCIAL GEOGRAPHY

Continued from page 553

LESSON X.

TRANSPORT ON LAND.—A very great step forward in methods of transport was the introduction of the wheel, probably at first merely a cylindrical part of the trunk of a tree. It was probably discovered in the East, and used by the nomadic tribes who wandered over the steppes with their cattle and horses, though our knowledge of the event is lost in the mists of antiquity. Roads must have been a necessity from very early times to mark out a definite route, and to give a way where physical difficulties were lessened as much as possible. Villages and towns sprang up on roads, particularly where a change in the form of carriage was necessitated, as at the fords of rivers or at the foot of a mountain pass.

There has been for ages a lively trade between North Europe and the Mediterranean lands, and a consideration of some of the principal routes followed by this traffic will show the importance of physical features in determining them. One route largely used led up the Rhine, through the Gap of Burgundy, and then down the Rhone to Marseilles, or overland by some of the Alpine passes. The Etruscans used the Brenner Pass, a very low one which crosses the whole range of the Alps at once, to reach the amber districts of the Baltic. The Romans used several of the Alpine passes, having roads over the St. Bernard and the Simplon, among others. From eastern Europe there were several routes. One followed the Danube to Ratisbon, then across Nuremberg to Frankfort-on-Main, and went from there down the Rhine. Another followed the valleys of the Bug or Dniester, the San and Vistula, as far as possible. The end of this route in the Middle Ages was Visby, in Gotland, one of the cities of the Hanseatic League. Another kept as near the Carpathians as possible to avoid having to cross the rivers too low down, and then followed the Oder, which was also reached from the Danube through the Moravian Gate. The island of Bornholm formed the terminus of this route during the Middle Ages.

The laying of specially prepared tracks, to facilitate the use of vehicles still more, began at the collieries, but the invention of the locomotive soon led to the laying down of railways. It is the speeding up of transport caused by the railways which has raised the commerce of the world to the pitch it has at present reached. For great manufactures to develop it is necessary to be able to gather together large supplies of raw material and sources of power, and to send away the finished products with reasonable despatch. In the development of new countries, the railway now plays a most important part, as, for example, in Uganda. The export of railway material from this country is very great.

Capital is largely invested abroad for such development; in fact, previous to the war, one reason given for the world-wide rise in prices was this use of the world's wealth in expenditure not immediately productive, though likely soon to become so.

Railways. The long railway routes of the world run, in the main, from east to west. We have seen already that there are no through routes round the world in a north and south direction, but all come to a blind end: in the Great Ocean at the south, in the icebound Arctic at the north. Both in Eurasia and in North America, too, the great industrial districts are facing the Atlantic, whilst the Pacific slopes are still mainly agricultural and largely undeveloped. The railways across North America are the oldest, the Union Pacific having been completed as far back as 1869, the Trans-Siberian line was completed in 1904, and the line across South America from Buenos Ayres to Valparaiso in 1910. The exceptions to this rule are the Cape to Cairo railway (not yet completed) and the railway from north to south in Australia.

Roads. The roads of Britain, largely forsaken for the railways, are now coming into their own again, owing to the introduction of motor-cars and wagons.

The Post Office uses motors to carry many of the mails instead of using the railway, and saves considerably by so doing; and motor transport for heavy goods is making rapid progress both here and abroad.

With the introduction of machines able to traverse rough country, it seems likely that there will be a wide field for this form of transport in the Colonies.

There is one incidental result of this great improvement in means of travelling which may be referred to. Catering for holiday makers is quite an important industry. And surely the increased health and happiness gained by the use of these facilities may be accounted a valuable thing. Mountainous districts, which are of little use for other purposes, such as those of the Lake District in England, Switzerland, and Norway, have had opened out to them new avenues to prosperity. How important this is to the welfare of Switzerland was shown by the distress consequent on the decreased number of visitors after the financial troubles in the States a short time ago.

BANKING

Continued from page 606

LESSON IX.

In Lesson VIII we dealt with the principal kinds of Stock Exchange securities against which the banks make a large proportion of their advances. These loans are made to a variety of different classes of customers, private individuals, financial firms of various types, foreign and Colonial banks, trading companies, and stock-brokers and stock-jobbers. The loans would, for reasons we have already explained, be made for short periods of rarely more than three months, being then subject to renewal or repayment. The rate of interest charged by the banks for such loans varies considerably; it usually depends on the Bank Rate and fluctuates with it. Bank Rate, or ½ per cent. or 1 per cent. above Bank Rate, are rates commonly charged on loans, the rate in each case depending on the standing of the customer and the class of security deposited. Very often, too, a minimum rate of interest of, say, 3½, 4, 4½, or 5 per cent. is fixed, to prevent an undue reduction in the profits of the bank when the Bank Rate is low. Loans to members of the Stock Exchange, however, stand on a different footing. In normal times the Stock Exchange transactions are to be completed fortnightly, on days fixed by the committee, at the middle and end of each month. These days are called "settling days" or "account days," and in the large majority of cases payment for stocks purchased and delivery of stocks sold take place then. The banks make loans of very large amounts to stockbrokers and jobbers, and these loans in nearly all cases run from one settling day to the next. The rate to be charged for the coming account is fixed by agreement among the banks on the day but one before each settling day. The loans are required to pay for stocks purchased by the brokers or jobbers, either on their own account or for clients who do not wish to pay for them at once, and the stocks themselves are deposited with the banks as security for the advance.

In deciding whether or not to grant an application for a loan on Stock Exchange securities, a banker has to consider two main points—

CHARACTER AND STANDING OF BORROWER.—In regard to this, we may content ourselves with remarking that no small part of the skill of a competent bank manager consists in forming a just estimate of the character and business prospects of those with whom he comes into contact.

SUITABILITY OF SECURITY.—This depends, first, on the standing of the company or Government issuing the security; and, secondly, on the nature of the security and its relation to other securities issued by the same company or Government. The debentures of any given company would, of course, be preferred to its shares, and its preference shares to its ordinary shares.

Whatever the security, however, it is the practice of bankers to require that there shall be an adequate margin between its value and the amount of the loan it covers. The extent of the margin depends on the liability of the security to fluctuate in value. Ordinary shares are liable to much larger fluctuations in price than preference shares or debentures, because their value depends to a much greater extent on the dividend which they receive or are expected to receive. But even the highest classes of securities are liable to variation in price. The last few years, for instance, have witnessed heavy falls in the price of nearly all the safest securities, such as Government bonds and railway debenture and preference stocks. In fact, the only securities which have escaped this fall have been those subject to early redemption; bonds, that is, representing loans to governments or companies for a fixed period, the end of which is approaching. It is obvious that bonds such as these cannot, for the last few years before repayment, fall in price much below the amount payable to the holders at maturity. Against the best of these "short-dated" bonds, bankers occasionally lend with little or no margin. In the case of all other securities, they require a margin sufficient to cover any depreciation in value. If the value of any security fell so much that its value began to approach the amount of the loan, the bank would require further securities to be deposited, or, failing that, the loan to be repaid, if necessary, by the sale of the securities in question.

When a bank lends on Stock Exchange securities, it always requires the borrower to sign a printed form of agreement, stating that the securities named are being deposited as security for the loan, and authorising the bank to realise them in the event of their value falling to such an extent that the required margin is no longer maintained. In the case of bearer bonds, it is not absolutely necessary that such an agreement should have been signed because they are "negotiable securities"; and the bank has the legal right to retain them or to sell them while the creditor of its customer. In the case of registered stocks or shares, however, it is essential that the bank should obtain its customer's signature to such an agreement. Moreover, its security is not complete unless the shares have been transferred by deed into the name of the bank or of nominees appointed by it. Where there is an objection to the shares

being thus registered in the name of the bank or its nominees, or where the shares are not fully paid up and the registration would render the bank liable for any calls made on them, the bank often contents itself with obtaining from its customer a duly executed transfer of the shares, which it retains without registering it. Such a transfer, which must be properly stamped at the time of execution, can then be registered at any time if the bank deems it necessary. This procedure saves the customer the expense of registration and of re-transfer when the loan is paid off.

BILLS OF EXCHANGE.—The banks lend large sums to bill-brokers and discount houses on the security of bills of exchange. The business of these firms, as we have seen, consists in buying and selling first-class bills. They do not, however, at once sell all that they have bought, and for those that they retain they pay with money borrowed from the banks on the security of the bills themselves. These loans, on which a low rate of interest is charged, are granted for very short periods of rarely more than a week. The money lent out on these terms, together with that lent to stockbrokers, to which reference has already been made, is classified in the banks' Balance Sheets as "money at call and short notice." When a banker has occasion to strengthen his cash reserve, the first means he adopts is to call in this money. For this reason, he arranges that a portion of it shall fall due every day.

TITLE DEEDS.—These are not by any means ideal forms of security for several reasons; but bankers are often, through force of circumstances, unable to refuse to lend upon them. The risk of depreciation in the value of real property is very great, and frequently cannot be foretold. Then, again, the difficulty of realising the property in case of failure to obtain the repayment of the loan is more often than not considerable; while, if it is left on his hands, the banker may find himself involved in expense for repairs and maintenance. When lending on this form of security, therefore, a banker should always satisfy himself that the property is in good repair and likely to be reasonably easy to realise in case of need; and he should guard himself against the possibility of loss by requiring the maintenance of a very ample margin of security above the amount of the loan. In the case of buildings, he should make sure that they are insured against fire and that the insurance premiums are regularly paid; while, if the property is leasehold property, he must further satisfy himself that the ground rent is being paid at the proper intervals. When the title deeds are deposited, the banker must carefully examine them to see that they are in order and the title of the borrower complete, referring them to a solicitor for examination and report, at the expense of the borrower if they contain any points of doubt or difficulty. When lending on title-deeds, a bank always requires its customer to execute a deed charging the property with the repayment of the loan. This deed requires an *ad valorem* stamp.

OTHER FORMS OF SECURITY.—Two other forms of security on which bankers sometimes lend may be mentioned. The first of these is the guarantee of a person other than the borrower. In this case, if the borrower fails to repay the loan, the banker can call on the guarantor to do so. The second is a class of documents representing merchandise or produce. The commonest forms of these are bills of lading and dock warrants. A bill of lading is a receipt for goods received by a shipping company on board one of its ships for transport; a dock warrant is a receipt for goods stored in a dock company's warehouses. In either case, the surrender of the receipt is necessary before the goods can be removed.

FUNCTIONS OF THE BANK OF ENGLAND.—In a previous lesson we indicated very briefly the principal landmarks in the history of the Bank of England. We may now proceed to describe rather more fully the functions it performs and the position it occupies in the banking system of England at the present time.

The business of the Bank of England may be classified under four different headings, as follows:

1. It acts as banker to the English Government.
2. It acts as banker to the joint stock banks.
3. It does a general banking business.
4. It has practically a monopoly of the note-issue of the country, and holds against the notes it issues a large amount of gold coin and bullion, which constitutes the gold reserve of the country.

Banker to the Government. As we have seen, the Bank of England was founded in order to lend its capital of £1,200,000 to the Government. At various dates since its foundation further sums have been advanced by it to the Government, the total now amounting to about £11,000,000. The Government, being thus the debtor of the Bank for a large sum, naturally came to use it for its other financial transactions. The bulk of the moneys under the control of the Government are kept at the Bank, and all its loans are administered by the Bank. Consols and the other portions of the Public Debt, which consist of stock, are inscribed in books kept by the Bank of England, which also pays the interest thereon and meets the coupons on Government bonds. All new issues, whether of stock or bonds or Treasury bills, are offered to the public through the agency of the Bank, and such as are redeemable are paid there at maturity. For these services the Bank receives a fixed annual payment from the Government.

COMMERCIAL LAW

Continued from page 607

LESSON XIV.

CARRIAGE OF GOODS.—Common Carrier. A common carrier is a person who undertakes, as his particular business, the carriage of goods for hire. At common law his duties include the acceptance of goods from any person willing to pay the usual and reasonable charges of conveyance, the delivery of the goods at the appointed place of destination, and reasonable expedition in the transit of the same. In this respect there are to be noticed the exceptions which permit the carrier to refuse goods if his conveyance is already full, or if the goods are not of the character he professes to carry, or if the articles are of a particularly dangerous character. The main liability of a carrier is that of undertaking to carry the goods safely and securely. He is a kind of insurer, and the liability lasts not only during the period of transit, but also for a reasonable time afterwards, until there has been delivery made to the consignee. After a reasonable time has elapsed, his liability as an insurer ceases, and he is only responsible for negligence, unless there is a special agreement made between the parties. The three exceptions at common law to this heavy liability are losses arising out of or caused by (1) the act of God; (2) the act of the King's enemies; and (3) inherent vice, that is, some cause attributable to the nature of the goods themselves, to their natural deterioration, or to their bad packing.

Land Carriers Act, 1830. This Act was passed to limit the liability of carriers by land—and by land only—and to relieve them of some of the burdens of the common law. It provides, amongst other things, that for certain goods such as jewellery, precious stones, etc., there shall be no liability resting upon the carrier if the value of the goods in one parcel or package exceeds £10, unless the consignor, at the time when he delivers the parcel, makes a declaration as to the value and nature of the goods carried, so that the carrier may give them extra protection. In consideration of this additional care bestowed, the carrier is entitled to make an increased charge for the carriage. Any omission on the part of the consignor to give this notice of the value of the goods will exonerate the carrier from all liability, except for loss arising from the negligence or felonious acts of himself or his servants. The practical point to gain from this is as follows: If a person is sending a parcel which contains goods of the value of £10, the only way in which he can insure himself is by making a declaration to the carrier, and paying the increased charge which is demanded. It is to be remembered, however, that the carrier will lose the benefit of this Act unless he puts up a notice in accordance with it in his office.

Railway and Canal Traffic Act, 1854. This Act was passed to restrict the right of railway companies as carriers of goods, to make a special contract limiting liability, unless (1) the special contract is signed by the consignor or his agent, and (2) the terms of the contract are held by the court to be "just and reasonable." What is the exact nature of this "just and reasonable" clause will depend upon the particular circumstances of the case. It is, however, provided by the Act of 1854, that in the absence of any statement as to a greater value, no greater damages can be recovered for the loss or injury to animals conveyed than £50 for a horse, £15 per head for neat cattle, and £2 per head for sheep or pigs.

Carriage by Sea. Except in so far as there have been changes instituted by statute, the general common law rules applicable to carriage by land extend to sea carriage also. The limitations are contained in the various Merchant Shipping Acts, and it is only possible to summarise them as follows—

(1) A shipowner is not responsible for loss occurring by fire which has happened without his actual fault or privity.

(2) A shipowner is not liable for loss by robbery, embezzlement, etc., except where it occurs through his own fault or privity, of such things as gold, silver, precious stones, jewellery, etc., unless their value is declared at the time of shipment.

(3) Where a shipowner is bound by law to engage the services of a duly qualified pilot, he is exempted from any loss that is occasioned by any fault or incapacity of such pilot.

(4) Where loss or damage occurs through no default or privity on the part of the shipowner, the maximum amount of damages that he can be called upon to pay in respect of goods is £8 per ton of the ship's tonnage, or in respect of loss of life or personal injury, whether alone or coupled with loss of goods, £15 per ton of the ship's tonnage.

The special terms as to carriage by sea are generally contained in bills of lading and charter parties, which cannot possibly be dealt with here.

Rights of Carrier. In consideration of his duties to carry the goods at a reasonable rate and without unreasonable delay, and safely to deliver them, the principal rights of the carrier are to demand his charges before carrying the goods unless there has been some agreement to the contrary, and to retain them—the right of lien—unless there has been prepayment made, until the whole of his charges have been met, by either the consignor or the consignee.

AUDITING

Continued from page 604

LESSON VIII.

Where there are cumulative preference shares, and accrued dividend thereon, at the date of the Balance Sheet, it is generally better that the accrued dividend should be shown not as a liability, but as indented at the foot of the liabilities in the Balance Sheet. There is usually a specific fund to meet this liability.

The bank would be apprised of the dividend payable, say, as follows—

I have to inform you that a dividend at the rate of 6 per cent. per annum, less Income Tax, has been declared on the Ordinary Shares of my Company. I enclose a specimen warrant, which you will see is dated 1st January, 19.., on which date the warrants will be posted to the proprietors.

I shall be glad if you will transfer from Current Account to a 25th Ordinary Dividend Account the sum required to pay this dividend, viz., £22,950 0s. 0d.

From a book-keeping point of view, the Profit and Loss or Appropriation Account would be debited with £27,000 (6 per cent. on £450,000) and Sundry Shareholders 25th Ordinary Dividend Account credited ; cash would be credited, and a Bank 25th Ordinary Dividend Account credited with £22,950 (*i.e.*, £27,000 *less* Income Tax at, say, 3s. in the £). Sundry Shareholders Account would be debited and Income Tax Account credited with the amount of tax deducted. The bank makes the necessary transfer of cash to the Special Dividend Account ; and, as the dividend warrants are presented and paid, they are charged to that account and entered in the Dividend Pass Book, the paid warrants being returned to the company. Periodically, or at the end of the year, an entry is made in the company's books debiting Sundry Shareholders Account and crediting the Bank Dividend Account with the warrants paid as per the Dividend Pass Book. When the entries for the payments have thus been made, the balances of the Dividend Account and the Sundry Shareholders Account should agree. They are identical in magnitude, but opposite in sign. The auditor will have a certificate from the bank showing the balance of the Dividend Account, if any, at the date of the Balance Sheet. The paid warrants are " marked off " in the Dividend Book with the dates paid inserted, and the auditor may extract therefrom the outstandings, which should sum to the amount as shown by the bank certificate ; but this procedure in many cases is unnecessary. For the authorisation of the dividend, the auditor will have the minutes of the meeting or the minutes of the Board, as the case may be.

The auditor will check the records of any share warrants to bearer that may have been issued ; and any conversions from share warrants to bearer, to registered securities and *vice versa*, in regard to which he will consult the minutes.

For any dividends which have been paid by way of coupon, the auditor will have the coupons which have been detached from the bearer certificates and which have been paid. He will also check the coupons outstanding, if any.

Broadly, reserves consist of allocations from profits or are derived from capital, and there may be in the books as many different reserve accounts as there are different purposes or objects assigned to them (*e.g.*, stock fluctuation reserve, exchange fluctuation reserve, etc.). Where reserves are to be made in accordance with the Articles of Association, as sometimes is the case, the auditor must see that the Articles are not contravened.

An Equalisation of Dividend Account is the result of an appropriation of profits. It is not of very frequent occurrence, and the object is to assist the company to pay as far as possible a regular dividend. If any conditions are imposed in either the creation or in the distribution of such an account, the auditor must see that the conditions are duly observed. The account may thus be shown in the Balance Sheet—

CAPITAL AND LIABILITIES.

	£	£
Equalisation of Dividend Account—		
Balance at 31st March, 1921 . .	50,000	
Appropriation from Profit and Loss Account at 31st March, 1922 .	10,000	
		£60,000

Sometimes the creditors are merely described as Creditors or as Sundry Creditors, and sometimes as Sundry Creditors and Credit Balances, the " credit balances " including items accrued or in suspense, or to be adjusted.

Occasionally, bills payable are included in the Creditors ; generally, however, they are shown as a separate item. Contingent liabilities in respect of bills discounted should be shown indented. Loans of a temporary character may be shown in a single group with any interest accrued.

Where scrip has been issued in respect of loans, this fact may be indicated thus—

	£	£
Temporary Loans (5%) . . .	10,000	
Interest accrued . . .	200	
		10,200

(Scrip for £ . . ., entitling the holders to an allotment of Debenture Stock has been issued in respect of these loans.)

PRIVATE SECRETARIAL WORK

Continued from page 584

V.

THE IMPORTANCE OF LANGUAGES.—Unless memory is at fault, it is Mrs. Hugh Fraser, in one of her delightful and instructive books of travel, who speaks of French as "the true *lingua franca* of educated people all the world over," and it is certain that those who know it well may tour the world round and want for nothing. Yet, with very few exceptions, up to 1914, not even so much as an introduction to French, or any other foreign language, was included in elementary knowledge, while, too often, the secondary structure afforded but the frailest foundation upon which to build. What was merely an inconvenience to the minority, in the sluggish days of peace, developed into a serious handicap to the majority of those who were called upon to do the emergency work of a nation at war, more particularly at the beginning of affairs, when the refugees from Belgium were pouring into this country. Happily for the English soldier in France, however, Necessity turned mentor. Heeding nothing of the subtleties of pronunciation, or the rules of grammar, she loosened his tongue, for the gratification of daily needs, and sharpened his ears to the real value of the spoken word: with the result that many a man who hitherto had scorned the notion of "*parlez-vous*-ing" was glad to be able to make himself understood; his task made easier by the customary willingness of all French men and women to improve their own acquaintance with the English tongue. The time, then, has surely arrived when all English-speaking men and women must show a like zeal, and, at least, translate into and from French, even though they may never try to speak it with any degree of fluency. In fact, for those in commercial or secretarial circles whose ambitions reach beyond the level of an ordinary clerkship, the matter is imperative; and this statement may be confirmed any day by a glance at the answers to queries addressed to recognised authorities, as to the most important subjects for private secretarial work, those answers almost invariably beginning in the same words: "Shorthand, Typewriting, French."

STUDY OF FRENCH.—It goes without saying that to make a sensible translation of a business letter, or to compose one, requires a deeper study of the language than may be acquired by the glib repetition of the doings of the "cat of the great-aunt's gardener," and similar inanities; therefore the lessons included in the present COMMERCIAL EDUCATOR are admirably suited, alike to the needs of the beginner, who is unable to take advantage of oral tuition, and of those who already know something of the subject. Secretarial work demands also the ability to take down in shorthand, perhaps, and transcribe, in good orthography, those French literary quotations that rise readily to the lips of the "educated"—phrases that expressed in English would often be pointless; and few things are more irritating to a chief than to find the *bon mot* which should have adorned a sentence either omitted, or distorted into foolishness.

While French is certainly the most important modern language for general private secretarial work, the addition of a second should be considered by those who prefer to be in the position to make a choice in the matter of employment. This enviable position rests with the secretary who can intelligently deal with Russian, Spanish, or German as well as French, for though the study of the German language was dropped during the war, or unwillingly pursued, it is doubtful whether it was a wise course; after all, a language is not easily shaken off.

The "little Latin and less Greek" which, according to a cynical contemporary, formed a modest part of the school knowledge of the greatest master of letters may have served him but poorly, regarded from a linguist's point of view; yet no one may say the "little" was useless. There can, however, be no question as to the value of a "little Latin" (which, "though dead, yet speaketh") to the average secretarial worker. At the least, its acquisition makes for a wider comprehension of words, not as letters set up in rows and columns, like skittles in alleys, as a pastime for the idle; but as living, tangible things, possessed of ancestry and a genealogical interest worthy of research.

And this brings us again to the importance of reading. Some one has said that the surest path to fluency and purity of speech in any language (including English) lies by way of intercourse with those only whose diction is beyond reproach. This may be excellent advice for the few who are fortunately placed. For those who, by circumstances, are forced to rely mainly on self-education, reading is the only medium. Insight into its literature, therefore, must be simultaneous with the assimilation of the grammar of any modern foreign language. If the masterpieces of the ablest writers are chosen, the value of such reading will be two-fold, viz., the creation of a lasting interest in other tongues (and, incidentally, in other nations) and increased facility in the use of correct English.

HOW TO TAKE MINUTES

LESSON I.

The duty of taking minutes is one which falls to the lot of the secretary of every description of undertaking or institution; and no matter whether the secretary be in the service of a company or a municipal or other local authority, or of a charitable or philanthropic institution, his duties in relation to the preparation of minutes will be very much the same in every case.

DEFINITION.—Before we proceed to a consideration of what are the best methods of preparing minutes in the case of a company registered under the Companies Acts, it will be well to pause for a moment to consider what minutes really are, and what are their objects and their uses. Answering these questions, we may say that minutes are the official record of the business transacted, and the decisions arrived at, by a meeting of the directors or of the members of a company.

REASONS FOR KEEPING MINUTES.—There are two reasons why these minutes are kept. The first reason is that the minutes of a meeting, when signed by the chairman of that or the next succeeding meeting, are evidence, until the contrary is actually proved, that the proceedings of such meeting were properly conducted. The second reason why minutes are kept—and it is a particularly cogent one—is that they *must* be kept. Section 71 of the Companies (Consolidation) Act, 1908, compels every company to cause minutes of all proceedings of meetings of its members, and of its directors, to be entered in books kept for that purpose. But, curiously enough, although the Act lays down the keeping of minutes as a compulsory requirement, it does not specifically provide any means whereby the obligation can be enforced, or impose any penalty for its contravention. Nevertheless, although the directors incur no actual penalty by neglecting to have proper minutes taken, they would, by neglecting this important matter, lose a very valuable piece of evidence, if, at any time, it were alleged against them that some particular act was irregularly performed; and the fact that the keeping of minutes is so very seldom neglected is an excellent tribute to their value in this respect. Mr. Justice Kekewich summed up the question very lucidly when, in the course of a judgment in 1890, he said: "I hold that the directors ought to place on record the purport of their deliberations and conclusions; and, if they do this insufficiently or inaccurately, they cannot reasonably complain of inferences different from those which they allege to be right."

INSPECTION OF MINUTE BOOKS.—While the Act lays it down as compulsory that a company shall keep Minute Books, it is to be noted that no power is given to the public, or even to the members, to inspect the Minute Books, a point upon which the provisions differ from those relating to other books which a company must keep (e.g. the Register of Members and the Register of Mortgages and Charges); nor is it necessary, as in the case of the Register of Directors and Managers, to file with the Registrar of Companies any copies of, or extracts from, the minutes, though copies of all special and extraordinary resolutions must be filed. The members, therefore, have no right to inspect the company's Minute Books. As a matter of convenience, however, it is customary to keep separate books in which to record the minutes of directors' meetings, and those of general meetings; and, where this is done, it is usual to permit the shareholders to inspect the books containing the minutes of general meetings. But the directors' Minute Book is invariably kept strictly private and open only to the inspection of the secretary, the directors, and the auditors. To this end, it is usual to have the book provided with a lock, the key of which is entrusted to the possession of the secretary. The only way in which the members may obtain access to the directors' Minute Book is by appointing inspectors under the provisions of Section 109 of the Companies (Consolidation) Act, 1908, to examine into the affairs of the company. This must be done by passing and confirming a special resolution, and the inspectors so appointed have the right to call for the production of any books and documents relating to the business of the company. It is, of course, exceedingly seldom that such a power is resorted to, as it obviously amounts to an expression of censure upon the conduct of the directors.

The Minute Books themselves should be of foolscap size, made of a good strong paper, ruled with fairly wide margins and well bound in leather, with the title "Directors' Minute Book" or "General Minute Book," as the case may be, stamped upon the front cover and upon the edge of the binding. Many reputable publishers and printers make a speciality of supplying books designed to meet the requirements of joint stock companies, and these firms are usually prepared to quote for any quality or size of book which may be desired.

DIRECTORS' MEETINGS.—Since the directors' meetings are far more frequent than those of the members, and the business transacted at the board meetings is much more voluminous than that transacted at the general meetings, it will probably be better to turn our attention first to the minutes of meetings of the directors. In connection with

the minutes of these meetings, the duties of the secretary can conveniently be classified as those to be carried out (*a*) before the meeting, (*b*) during the meeting, and (*c*) after the meeting.

Secretary's Duty before the Meeting. The secretary's first duty will be to see that arrangements are duly made for the holding of the meeting. The date, place, and hour may be decided upon in various ways. For instance, they may be fixed by a resolution of the directors to the effect that an ordinary meeting of the board shall be held at the company's registered office at a specified hour on, say, the first and third Wednesdays in each month. In other cases, it is made an item of the business of each meeting to fix the date of the following meeting. In addition, the Articles usually provide that the secretary shall call a meeting of the board whenever called upon to do so by any one director.

Notice of Meeting. The time of the meeting having been fixed, the secretary's primary duty is to issue notice of the meeting to every director. If any duration of notice has been prescribed by the Articles, or by resolution of the directors, it must, of course, be observed; but in the absence of any definite stipulation on the point, the notice must be forwarded to every director a reasonable time before the meeting. Care should be exercised in the matter of giving notice, for any meeting of which notice is not given to every director is invalid; but it is not necessary to give notice to a director who is abroad and out of reach of notices. The notice should state the place, date, and hour of the meeting, and also—though this is not compulsory—the general nature of the business to be transacted. The following is a suitable form—

THE
COMMERCIAL ENGINEERING
COMPANY, LIMITED.

Registered Office—
95 *London Wall,*
London, E.C.2.
30*th August*, 19...

BOARD MEETING.

I beg to inform you that a meeting of the Directors will be held at the Registered Office of the Company, as above, on Wednesday, the third day of September, 19.., *at* 3 *o'clock in the afternoon.*

BUSINESS. *General, and to consider the advisability of opening new works in the U.S.A.*

Yours obediently,
R. T. B. Graham,
Secretary.

Agenda. Sometimes, instead of stating merely the general nature of the business to be transacted, the notice convening the meeting will contain, on the fly-leaf, a copy of the agenda of the meeting; and this brings us to a consideration of the agenda itself.

The agenda is a statement, in proper order, of the business to be transacted at a meeting. It is drawn up by the secretary, partly (i.e. as regards routine matters) on his own responsibility and partly (as regards matters of special importance) on the responsibility, and under the instructions, of the chairman of the directors. Custom varies as to the mode of presenting the agenda. Some secretaries simply draw up the agenda on loose sheets of foolscap, duplicating it (by either carbon or mimeograph) to the number required, and placing a copy at the disposal of each of the directors. It is, however, now becoming recognised as better practice to have a special Agenda Book for the use of the chairman, to be kept afterwards as a permanent record. This is a book somewhat similar in size to the Minute Book; and, in writing it up, one whole page on the left of the book should be utilised for the agenda itself, the right-hand page being reserved for the chairman's notes. Two great advantages obtained by the use of the Agenda Book are—

1. The agenda of any particular meeting may be easily traced at any future time; and

2. Should the correctness of the minutes be questioned at any time subsequently, the production of the chairman's notes, together with the secretary's "Minutes' Note-Book," will place the matter beyond all doubt.

In drawing up the agenda, the first point to be provided for is the election of a chairman, unless the directors have appointed one of their number to act in this capacity for the whole year. Next will come the consideration and approval of the minutes of the previous meeting, and this will be followed by any business arising out of such minutes or left over from the previous meeting for inquiry and report. Where, however, this brings up any matter which will call for much consideration and discussion, it is better to proceed first with the transaction of routine business, such as the signing of share certificates, passing of transfers, etc. This will make the meeting proceed more smoothly and rapidly, circumstances which will have their effect upon the dispatch of the more contentious business.

While, as a rule and under all ordinary conditions, it is advisable that the business should be proceeded with in the order shown in the agenda, this is not at all compulsory; and if, in the opinion of the meeting or of the chairman, there is good reason why the order shown therein should be departed from, there is no objection to that course.

THE STOCK EXCHANGE

Continued from page 627

LESSON IV.

WHAT THE STOCK EXCHANGE DEALS IN.—(2) Shares and Debentures. Shares and debentures are the two chief forms in which members of the public invest their money in limited companies. Though the two names may seem almost interchangeable, there is a really important distinction between them: a holder of shares is a partner in the firm, while a holder of debentures is a creditor to whom the firm owes money.

Shares are of many kinds. When a company appeals to the public for money, the act is of the nature of a bargain, and the advantages offered are influenced not only by such facts as the position, success and reputation of the company, but also by the value of money at the time of issue.

Thus it comes about that the same firm may have one group of shareholders to whom it is paying 5 per cent., while to another group as much as 6 or 7 per cent. is being paid.

Let us take a suppositious case of a firm with shares of different descriptions, and trace the reasons for the varied conditions attached to the separate kinds of shares.

Messrs. Rumbold & Co. have a highly successful business which pays the owners well, but which is hampered for want of money. With an original capital of a few hundreds the partners are making more profit than they can divide, because it is being absorbed by ledger accounts, plant, machinery, and stock.

They want £10,000 capital, but as they have great faith in the concern, they do not wish to pay as much interest on this as they expect to make on their own capital. In fact, they have so much faith, that they are willing to pay interest on the new capital before they take any profit on their own shares.

Hence, an issue of two kinds of shares is made: Ordinary Shares, which they retain, and 5 per cent. Preference Shares, which they offer the public. The condition of the issue is that the full 5 per cent. shall be paid on this latter denomination before the Ordinary Shares are allotted a penny.

This means, of course, that when that 5 per cent. is paid, even if the balance is so large that it makes 50 per cent. for the Ordinary Shares, the holders of these divide it all.

The firm thrives, and more money is needed. A second series of Preference Shares is issued, but in the meantime the general demand for money has increased, or the public has grown dubious about "Industrials," or for some other reason more generosity is advisable.

So the new issue is for 6 per cent. Cumulative Preference Shares.

This means not only that the shareholders receive their 6 per cent. before the Ordinary Shares in any one year, but that should a bad year in which no dividend was paid be followed by a good year, the Cumulative Shares take their dividend on two periods before the Ordinary shareholders benefit.

But as no issue cancels a bargain already made in a previous issue, the holders of these 6 per cent. shares cannot benefit at the expense of the holders of the previous Preference issue at 5 per cent., unless this is arranged in the issue.

The firm still prospers and needs more money. A third issue is decided upon. The money market has become "firmer" and investors more chary. So the new issue is made under a further description, "5 per cent. Preference Participating Shares."

This means that the new investors, after all the preference issues have received their interest, and a certain agreed percentage has gone to the Ordinary Shares, receive a portion of the remaining profits of the business; in this way adding the advantages of Ordinary Shares to those of Preference.

Deferred Shares. Deferred Shares are shares that do not take profit till some other shares have received their interest. This means that a company with Ordinary and Deferred Shares may be dividing its profits in precisely the same way as a company with Preference and Ordinary Shares, only that the terms of description are different.

Founders' Shares. Founders' Shares are of many kinds. Usually they are shares held by the original proprietors or promotors, with rights to take substantial profits after other shares have benefited. Sometimes they have been allotted powers that are exceedingly beneficial to the holders at the cost of other shareholders, but nowadays it is useless to invite public subscriptions under such conditions.

Debentures. A debenture is practically a mortgage or bill of sale secured on the assets of the company. It is a debt owed by the company.

Debentures are, roughly speaking, of two kinds: perpetual or redeemable. Power is usually retained by the company to redeem perpetual debentures after a certain period, but the holder has no such power. Redeemable debentures bear a date for redemption, or an option of dates on the part of the company.

The debenture holder as a creditor possesses powers for forcing payment of interest, or, in default, of protecting himself by realising the assets. Obviously, interest to debenture holders comes before all dividends on all classes of shares.

THE MONEY MARKET

Continued from page 610

LESSON III.

Bank Return (*continued*). The variations in "Other Deposits" are of the first importance to the money market. We have seen that these deposits include balances standing to the credit of the joint stock banks. Each of the London Clearing Banks keeps an account with the Bank of England for the purpose of settling by transfer the differences of the daily clearing of cheques. But beyond this the joint stock banks deposit with the Bank of England the whole of their reserve of cash, keeping in their tills only an amount sufficient to meet their daily requirements. The Bank owes its predominant position in the money market to the fact that it is the keeper of the nation's reserve of cash. It is the ultimate source from which gold can be drawn in periods of crisis.

The total of the other deposits, then, provides a very good index of the amount of loanable money available at any particular time; and as money (in the money market sense) is, like every other commodity, governed by the law of supply and demand, a rise in the other deposits indicates that for the time being the supply of loanable money exceeds the demand, with results on "rates" which we will examine later. The reserves of cash deposited by the joint stock banks do not vary much, but their balances at the Bank are materially affected by "floating money." When dividends are paid, showing a fall in the Public Deposits, they cause a rise in the Other Deposits. The joint stock banks find themselves in command of large sums, for which they can at the moment find no profitable outlet. The result is an increase of their balances at the Bank of England, until such time as they can find safe and remunerative employment for their surplus funds. Periods of commercial activity, involving the investment of capital, synchronise with a fall in the Other Deposits. Conversely, periods of stagnant trade, providing no outlet for capital, are marked by an increase in this item of the Bank Return.

The Other Deposits invariably show a large increase at the end of June and the end of December. The explanation of this phenomenon is to be found in the practice of "window-dressing" (as it is colloquially called) indulged in by joint stock companies, not excluding the joint stock banks. An appearance of strength is given to the half-yearly Balance Sheet by showing a large total under the item "Cash." For this purpose, joint stock companies take care that at the end of the half-year their bank balances shall be high. The banks themselves at these periods, influenced by precisely the same considerations, show very little readiness to lend, with the result that their balances at the Bank of England are largely increased, and the total of the Other Deposits goes up. After the turn of the half-year these surplus funds are withdrawn for profitable use as soon as possible.

The payment of quarterly dividends in April and October also causes an increase in the Other Deposits. This is, however, less noticeable in April, when the tendency upwards is counteracted by the drain on the market caused by the collection of revenue.

It might be supposed that, of all occasions, a period of uneasiness in the money market, or of actual financial panic, would show a rapid diminution in the total of the Other Deposits; that there would be a "run on the Bank," depositors losing no time in withdrawing their balances while they could.

In actual fact, the very opposite is the case. Every occasion of financial panic—such as the failure of the City of Glasgow Bank in 1878—and every occurrence of war rumours, has been accompanied by a strong upward tendency in the Other Deposits. In the case of the Glasgow failure, the figures rose by over seven millions in three weeks. Again, the Baring collapse of 1890 brought about an increase in the Other Deposits of six millions in seven days.

These increases are caused by the action of the joint stock banks, who on such occasions immediately set about strengthening their reserves, so as to be able to meet any emergency call that may be made upon their resources.

Fluctuations in the total of Government securities are, generally speaking, of minor importance. Increases at the end of the quarter indicate that the Government has effected temporary borrowings to cover payment of dividends. The simultaneous decrease of Government securities and of Other Deposits caused by "borrowing on Consols" is dealt with later.

Movements in the "Other Securities" occur when the Bank has to come to the rescue of the market, and discount bills for which the market has not at the moment the necessary supply of money. This is regularly noticeable at the end of the quarter, and particularly in June and December, when bankers are not only chary of discounting bills, but also call in a proportion of their loans to bill-brokers, and the latter are driven to the Bank of England to find the wherewithal to repay the banks. The same thing happens on occasions of financial uneasiness, when, as we have seen, bankers strengthen their reserves, with the result that a simultaneous increase of Other Deposits and Other Securities occurs.

INSURANCE

Continued from page 613

ACCIDENT INSURANCE.

GENERAL.—Nothing but a volume of no small size specially devoted to the subject could deal with the subject included under the above heading in adequate fashion; and it must be rather as a guide to obtaining further and fuller details than anything else that the present article must be considered. There are, roughly speaking, three classes of accident cases which require to be treated of, namely, accidents to oneself; accidents to other members of the public generally; accidents to workmen and employees for whom one is responsible by law.

PERSONAL ACCIDENT INSURANCE.—This is the oldest of casualty insurances, and appears to date back several centuries. It was the recurrence of railway accidents in the middle of the nineteenth century that brought it into special prominence, and its principles have now been applied in every direction. The whole matter is one between the insurer and the insured; in fact, it is a special contract; and there is no limit to which it may not be extended, provided the parties are in thorough accord. More especially it is to be recollected that this is not a contract of indemnity. In most other insurances it is possible to estimate the loss occasioned when the contingency insured against has happened. But for personal accidents and deaths arising through personal accidents there is no such measurement possible. As a learned judge once remarked: "A person cannot be indemnified for a loss of life as he can in the case of a house or a shop."

THE INSURANCE.—Under a personal accident policy the insurer agrees to pay to the insured (or to his personal representatives, in case of death), in the event of his sustaining any bodily injury caused by violent external and visible means, certain capital sums for death, loss of limbs, and/or loss of eyes, and a stated weekly allowance, for a limited period, during such time as the insured is either partially or totally disabled. As in other cases, the insured must fill up a proposal form, and the answers are taken to be the basis of the contract which is contained in the policy issued by the insurer. It is needless to add that the policy ought to be examined with the utmost care, as some of those which are in existence are but traps for the unwary.

POLICIES AND PREMIUMS.—The public to-day have a choice of three forms of policies, i.e.—

1. **Policies covering Accidents only.**
2. **Policies covering Accidents and defined Diseases.**
3. **Policies covering Accidents and all Sickness.**

The appended table gives the approximate rates and benefits covered under each respectively—

Items.	Name of Policy. Accidents only.	Combined.	All Sickness.
Annual Premiums.	£ s. d.	£ s. d.	£ s. d.
Class 1—Ordinary	4 0 0	7 0 0	10 0 0
Class 2—Medium	5 0 0	8 0 0	11 0 0
Class 3—Hazardous	6 0 0	9 0 0	12 0 0
Accident Benefits.	£	£	£
Death, loss of two limbs or eyes, or one limb and eye	1,000	1,000	1,000
One limb or eye	500	500	500
Permanent Total Disablement, per annum	nil	30	nil
Temporary Total Disablement, per week	6 26 wks.	6 52 wks.	6 26 wks.
Temporary Partial Disablement, per week	1 10 0 26 wks.	1 10 0 52 wks.	1 10 0 26 wks.
Disease Benefits.			
Temporary Total Disablement, *all* sickness, per week	nil	nil	6 26 wks.
Do. do. as (*a*) per week	nil	6 52 wks.	nil
Total Blindness or Permanent Paralysis	nil	500	nil

The premiums vary in accordance with the class of occupation, and the practice common among offices is to classify the risks under three headings, i.e. Ordinary, Medium, and Hazardous. As a rule, the majority of risks undertaken fall within one of these.

The "Ordinary" comprises bankers, solicitors, merchants, and the like.

The "Medium" comprises tradesmen who superintend and direct their workmen.

The "Hazardous" comprises tradesmen working, i.e. builders, butchers, licensed victuallers, and the like.

SELECTION OF RISKS.—The utmost care is necessary in the selection of proposers for accident and sickness insurance. It is now well known that accident and specified disease insurance, when carefully underwritten, has proved to be the most lucrative of all kinds of contingency insurance. The same cannot be stated of sickness insurance, as it is a recognised fact that in no other branch of insurance is "selection" so much against the insurer—whether an individual or a company. A careful underwriter, before accepting a proposal, will see that each question on the proposal form

is answered fully and in most unequivocal terms. If the applicant has suffered from some previous accident or sickness, full particulars of its nature and duration will be most certainly insisted upon. Replies such as " no illness of any material importance " will never be accepted, for the simple reason that whilst the complaints to which the proposer may be subject are of a minor nature by comparison, they may be sufficient to cause disability for several weeks a year—a period long enough to swamp the annual premium charged for the risk. Where there is any physical defect, such as deafness or short-sightedness, care will be taken to ascertain the exact nature of the disability, as obviously a person so affected is more susceptible to accidents. The family history is also an important matter for consideration, especially where the contract is one to cover sickness. Again, if the weight of the applicant is abnormal, careful inquiries will be made before the risk is accepted. Where the proposer has been previously declined by a first-class life or accident company, it may be taken, as a general rule, that he is uninsurable, at least for sickness. These matters are only referred to as showing the peculiar and special points which must be attended to in questions of insurance of this class, and as accentuating the necessity for the utmost care in seeing that everything is absolutely in order, as far as human foresight can make it so.

THIRD PARTY INSURANCE.—This is a species of accident insurance, in that it is a contract entered into by which the insurer undertakes to indemnify the insured against the consequences of accidents happening to third parties. At common law, every person is bound to exercise reasonable care in the carrying out of his duties in whatever sphere of life he is situated ; and if there is an absence of that reasonable care by reason of which another person is injured, the first person is guilty of negligence and must compensate the injured person. Moreover, this liability does not rest only upon an individual for his own acts of commission or omission, but also for the negligent acts of his employees, when the latter are acting in the ordinary course of their employment. It is against this extensive liability, which becomes greater as businesses increase in size, that Third Party Insurance provides.

It would be absolutely impossible to give here a list of all the different kinds of risks which are capable of being provided against by third party insurance. Inquiries should be made of the various companies which undertake this class of business, and full particulars will be supplied on every point. It is only in an exhaustive treatise that the questions relating to the proposal forms, the contracts themselves, the premiums, and the limitations as to liability can be adequately dealt with.

WORKMEN'S COMPENSATION INSURANCE.—The Workmen's Compensation Act, 1906, and its amending Acts, practically impose a liability on all employers of labour to compensate their workpeople for personal injury by accidents arising out of and in the course of their employment. There are still exceptions with regard to the right to compensation ; but, speaking generally, as there are now insurance companies in existence which will, at a small cost, undertake the risk of insurance in such cases, it would be the height of folly for any employer to run the risk of being personally mulcted in heavy sums through failing to pay the small premium necessary to secure him from loss. The business of insurance is now undertaken by a large number of companies, and the rates charged are obtainable with the greatest ease. It is obvious that these rates vary according to the hazardous nature of the trade concerned.

SCALE OF COMPENSATION.—This is only referred to as a kind of extra warning to the employer, because if an insurance has been effected, the insured has no trouble or anxiety about the matter. An accident occurs, notice is given of it, the insurance company is informed, and after that the whole dispute (if there is one) is between the insurance company and the workman (or his personal representatives or dependants, in case of death). In the case of fatal injury, the amount payable by way of compensation is three years' earnings—or a sum of £200—whichever of these is the larger, but not exceeding in any case £300, that is, where there is a total dependency on the part of a wife or children or other persons who are left behind. Where the workman leaves a widow or other member of the family wholly dependent, *and in addition* leaves one or more children under 15 years of age so dependent, there is an additional compensation. If the dependency is partial, then the compensation is to be a sum reasonable and proportionate to the loss. If there are no dependants, a reasonable sum, not exceeding £15, is to be allowed for medical expenses and burial.

When there is disablement the scale of compensation varies according to the circumstances and the extent of the disablement. If the disablement is total, the compensation is half the weekly wages earned, not exceeding 30s. per week during the period of incapacity.

AWARD.—Unless the parties can agree, the case goes to the local County Court, from which there is a right of appeal to the Court of Appeal. This, however, is the technical part of workmen's compensation ; and the employer will be exceedingly foolish if he allows himself to be drawn personally into the expenditure involved in fighting claims, for whatever the result may be, he cannot fail to be a heavy loser.

LEADING INDUSTRIES

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LINEN

INTRODUCTORY.—Linen is the name which is given to the fabric which is spun and woven from the fibres of plants of the order *Linaceae*. The best known of the many species of the plant, as well as the most important, is the annual common flax—*Linum usitatissimum*. Its height when full grown is from 2 ft. to 3 ft. It is very widely spread over Europe, Asia, and America ; but the principal centres of production are Flanders, Russia, Ireland, Latvia, Esthonia, Central Europe, and Northern Italy. Although considerable crops are still raised in North-east Ireland, for the purposes of manufacturing linen of various kinds the United Kingdom has long been largely dependent upon the supplies obtained from continental countries. At the present time linen is used chiefly for shirts, towels, table linen, bed linen, lace, and aeroplane wings.

HISTORY.—The origin of the manufacture of linen is lost in the depths of antiquity. It must have been used as an article of clothing in the very earliest days of civilisation. It is very frequently referred to in the Bible, even in the oldest books, and is often spoken of as an emblem of purity and excellence. The material is also found in the mummy cloths of Egypt. Its use spread from the East to all parts of the civilised world. It is well known that the linen industry gained a footing in Ireland before it was known in England or Scotland. Whether it was introduced into Ireland, as is sometimes asserted, by the Phoenicians at a period long before the Christian era, can never be really ascertained. But it is known, as a matter of history, that the linen trade was in a very flourishing condition in Ireland in the early part of the thirteenth century, and has gradually increased until Belfast has become one of the most important manufacturing cities of the world. Naturally the introduction of machinery materially aided the development of the trade. The first mill for spinning yarn was built at Darlington in 1787, but the first factory for weaving linen by power looms was not erected until 1812. The process of weaving flax is similar to that of cotton.

CENTRES OF MANUFACTURE.—The importance of Belfast as a great linen centre has just been mentioned, and its great speciality is fine linen, as well as artistic coloured fabrics used for dress materials and in upholstery and embroidery. Other towns of Northern Ireland—Londonderry, Lisburn, Newry—are also engaged in the linen industry. In Scotland, Dundee, Forfar, and Dunfermline are busily engaged in producing the heavier fabrics ; whilst in England, Barnsley enjoys an excellent reputation. On the continent of Europe, France, Belgium, and Germany have linen manufactures. In Belgium, Courtrai and Ghent are noted for linen yarn. In Germany, Westphalia is the principal centre of trade. Lille and Cambrai, in France, make linen, muslin, cambric, and lawn. There are also small linen industries in the United States, Canada, Japan, and Poland.

PROCESS OF MANUFACTURE.—The following is the usual method in which flax is prepared for the manufacture of cloth, and is known as flax-dressing. The stems of the plant are either cut or pulled up by the roots and allowed to dry. After the seeds have been removed by a process known as "rippling," the flax is subjected to what is called "retting." It is essential to have a good supply of pure water. The presence of pure water has helped to localize the industry, e.g. Ulster, and the river Lys in Belgium. The stalks or stems are steeped in water and fermentation sets in, the result being that the fibres are freed from the woody matter, and the gummy and glutinous matter is removed. This part of the work is now generally carried out by a special process known as Pownall's. After being removed from the vats and allowed to dry in the open air, the flax is scutched, that is, placed in a scutching machine, when the work of complete separation of the fibre from the woody matter is completed. The fibrous matter is then made up into bundles and sent to the mill to be spun into yarn. It would be impossible in the space at disposal to give any real idea of the processes of spinning and bleaching, but with regard to the latter, it is interesting to note that the old-fashioned methods are still usually employed, and Nature, in the shape of Ireland's moist climate, more than maintains its pre-eminence for producing that dazzling pure whiteness which can be found only in Irish linen bleached on the lovely green fields of the Emerald Isle.

THE EXTENT OF THE TRADE.—The linen industry occupies the third place in importance in our textile industries. A few years ago it was feared that the manufacture of linen was likely to be affected by the increased popularity of jute as a material for heavier goods, and of a larger use of cotton for fabrics of the finer sort. When one examines the latest available statistics, it is seen that fears based on these grounds are scarcely borne out, and that any temporary decline is merely the result of passing fancy.

Photo *Elliott & Fry*

SIR WILLIAM ROBERTSON, KT.

Linen Manufacturer

COMMODITIES OF COMMERCE

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GUN COTTON.—This powerful explosive, which is also known as pyroxylin, first came into notice about the middle of the nineteenth century. At first, its manufacture and storage were attended with great danger, but these difficulties have now been entirely overcome. It is obtained from cotton waste, which is first of all freed from grease by boiling with alkalies. The waste is then carefully packed, and the fibre is separated by passing the waste through what is called a teasing machine. It is afterwards dried and cut into lengths, being finally saturated in a mixture of sulphuric and nitric acids, the mixture consisting of three parts of the former and two of the latter. Any excess of acid is washed off, and the gun-cotton is reduced to pulp, compressed hydraulically to one-third of its bulk, and moulded into the various sizes and shapes required. Owing to the absence of smoke during combustion, gun-cotton is used in preference to gunpowder in many operations; and as it is unaffected by moisture, it is frequently used in submarine mining, fulminate of mercury being employed as the usual detonator. The chemical symbol of gun-cotton is $C_6H_7O_23(NO_3)$.

HEMP.—The name "hemp" is applied to various vegetable substances cultivated on account of their fibre, but the plant from which the common article of commerce is mainly derived is the *Cannabis sativa*, a native of West and Central Asia, but now widely distributed over Asia, Europe, and Africa. The hemp fibre is obtained from the bark of the plant after long steeping in water. Hemp is now an important article of commerce and is largely imported into the country. It is specially employed for the weaving of cloth and for the manufacture of thread, rope, and cordage. Hemp seeds are used as a food for birds, and from them can be extracted an illuminating oil. This oil is much used by the Russian peasantry. The oil is also used in soft soap, in paint, and in varnish. The residue, after the oil has been extracted, is compressed into oil-cake, which is useful for feeding cattle.

INDIGO.—This is an important dark blue dyestuff obtained by fermentation from the leaves of various plants, the chief of which is the *Indigofera tinctoria* of Bengal. Other kinds of indigo are obtained from the East Indies, Central America, and West Africa. It was formerly in great demand for dyeing woollen cloth and for calico printing, and it is still much used. Latterly, however, it has found a formidable competitor in artificial indigo, which is a coal-tar product, and it is doubtful whether the Bengal growers can long continue to produce the natural article on a profitable basis.

INK.—Ink is the substance used for writing and printing, the former kind being fluid and the latter thick or viscous. This is only a rough division, but there are many varieties of each kind. The best black writing ink consists of a solution of ferrous sulphate or green vitriol added to an infusion of gall-nuts, a small quantity of gum, and sometimes an admixture of creosote or carbolic acid to prevent mouldiness. Another method is to add chrome alum and gum arabic to an infusion of logwood. Coloured inks are obtained by the addition of vegetable dyes or aniline solutions. In the manufacture of copying ink, sugar and gum or glycerine are mixed with ordinary ink. Marking ink consists of silver nitrate dissolved in water, together with a solution of ammonia, gum, and carbonate of soda. Indian ink, which is indelible, consists of the finest lamp-black mixed with a solution of gum or glue. Invisible ink is generally made of cobalt chloride, and becomes legible on the application of heat. Printing ink is a compound of lamp-black, paraffin, and resin, with the addition of special oils or varnishes which vary according to the paper and the machine used. The manufacture of coloured printing ink is too difficult and complex to be detailed here.

JUTE.—This important Indian fibre is obtained mainly from the *Corchorus capsularis* and the *Corchorus olitorius* of Bengal. The fibre is the inner bark of the plants, and it is separated from the woody stalk by a process known as retting, which consists in steeping the stalks for a considerable time in water. Before the steeping takes place the stalks are generally stacked for a period in order to allow the leaves to decay. When the separation is complete, the fibre is washed in water, then dried in the sun, and afterwards done up in small bundles. It is believed that the quality of jute might be advantageously improved if a better method of retting was introduced. The processes of spinning and weaving jute are similar to those used for flax, though heavier machinery is required for jute than for flax. The fibre takes brilliant dye colours easily, and millions of Mahometan prayer carpets are made from it, especially at Dundee, which is the chief centre of the jute trade in Great Britain. Other articles made from jute are floor-cloths, inferior carpets, sacking, mattings, tarpaulins, stage wigs, hair pads, etc. It is only within the last sixty years that jute has become an important article of commerce. Formerly, that is, before proper machinery was introduced, the fibre was almost exclusively used in India for the manufacture of gunny bags and native clothing. Jute fibres are coarser and weaker than flax.

COMMERCE

Continued from page 616

XIV.

THE SERVICES RENDERED TO COMMERCE BY BANKING.

"I'll tell you what I'll do. I'll let you have the cow against the three pigs and a bushel of seedling potatoes."

"I haven't any potatoes. I have rye or barley. But if you have my three pigs against your cow, I reckon you owe me a young calf as well, leaving the cereals out of it."

That is what the argument might be on the barter system.

Common sense came in with coins of standard value and left the tragedy of barter to remain as a nursery tale; of how the widow's son changed a cow for a pig, and the pig for a dog, and the dog for a hen, and the hen for some bean seeds that, flung violently out of the window, grew, in the night, to be a beanstalk of stupendous height, leading Jack to giants and fame and wealth.

Barter may reduce the cow to a handful of seeds or increase it to a giant's fortune. But, either way, it wastes time and worries the brain.

Armed with coin in his big bag, the farmer went to market and the merchant to his store. Good coin of the realm valued off pigs against cows quicker than anyone could do so by barter, and solved intricacies arising from cheese weighed in ounces and silk measured in yards, so that grocer could deal with draper without despair.

Then came the limit of the power of cash in coin. The milkman calls at the door, leaves milk, and takes his money. Mrs. Smith buys gloves and puts down half a crown on the counter.

But Mr. Higgs, the glove manufacturer, buys a new plant from London. Shall he extract every coin from the village outside his works to pay for it?

Later, Mr. Higgs is paid £8,000 at one time by his export agents. Shall he try to outlay it all in his village? Or, failing this, must he lock it all up in his safe till he has been able to pay it out in wages and for new material?

The banker came along to solve Mr. Higgs's problem, or rather the similar problems of his remote ancestors. Probably the first point in his favour was that he had a strong box in a strong room, far safer than the till under the counter or the stocking upstairs.

Mr. Goldsmith had a valuable stock of his own to protect, and knew how to do it.

"He shall look after my money as well," said Mr. Linen-draper.

Then later came the cheque. It is quite easy to see how the system of paying by cheque was a natural consequence of one man holding the money of another. Why, one could almost reduce the obvious course to a conversation.

"This is the third time I have been over to-day to get money to pay people, good neighbour," says the linen-draper; "and pouring wet, too."

"Why do it?" retorts Mr. Goldsmith. "Just write me a note on a slip of paper telling me to pay them, and I'll give them the money for the paper and charge it up to you."

The above is not presented as an historical instance, but as illustrating an obvious consequence. When the bank came, payment by cheque had to follow.

Loans *to* the bank were followed by loans *from* the bank. This had to come. Were it otherwise, all the coin would be locked up in strong boxes in strong rooms. Mr. Goldsmith, with piles of specie in his cellar and solvent enterprises shrieking out for capital everywhere, would be but a sorry fool if he let the good stuff lie idle.

Next came the problem of remitting money to a distance.

Master Goodenough, of Cheapside, must send monthly sums to Norwich for well-woven cloth. Master Toogood, of Norwich, has need to send cash fortnightly to Eastcheap for rice and Indian spices.

These two men do not know each other, but the bankers at each end get to hear of the transactions.

"Why send coins on the packhorses and in the coaches?" they ask. "It means carrying money to and fro for no good purpose. Give us pieces of paper, and we will pay and receive the money, and square up with each other."

So the bankers did another good service, lessening the risk and loss of coin being moved about, thus letting it remain in the towns where it was wanted, and taking it off the high roads where it was not wanted.

What can be done between London and Norwich can be done between Bristol and Paris, between Edinburgh and Boston, and between Teneriffe and Bombay.

It is impossible to outline in a page a tenth of the services bankers have rendered to commerce. But not one of the least valuable is the security they give to traders when large transactions are involved between strangers.

Thus, a cargo of goods is dispatched from Rio de Janeiro to Liverpool on cash terms. It is the banker who gives ample security to both sides, holding control of the goods till the cash has been paid, or holding control of the cash till the necessary rights over the cargo have been received.

MEMORY

Continued from page 520

VI.

ASSOCIATION (*continued*).—The fundamental laws of association may be said to be the law of contiguity and the law of similarity. Sometimes we get a present thing suggesting an absent thing, because the two have been contiguous in past experience, as where the sight of an object reminds you of its name or the name calls up the object. This is called an association of contiguity. An association by similarity occurs where the attributes of one thing suggest to us points of likeness between it and some other thing, even though the two pictures were never presented to our mind before.

It will have been made clear by this how abundantly involved in all phases of mental life is this power we call association. Everyone's mental make-up is largely influenced by the nature and character of his association, and every one of us is simply either an efficient or inefficient "piece" of associating machinery. We are said to be "unable to escape our past," and the simple reason for this is that the laws of association are inexorable, the truth of which statement applies with equal force in the big and little things of our mental make-up. "Every young man," says Dr. Betts, "who thinks he must indulge in a little sowing of wild oats before he settles down to a correct life, and so deals in unworthy thoughts and deeds, is putting a mortgage on his future; for he will find the inexorable machinery of his nervous system grinding the hated images of such things back into his mind as surely as the mill returns to the sack of the miller what he feeds into the hopper." It will be clear, of course, that, although this statement contains a caution, it nevertheless contains the inspiring message that well-formed associations give correspondingly good results in the memory. The more complete and useful the associations a man can form, the more complete will be that man's power for his whole life. The student should endeavour to get as much experience, as many helpful interests and sensations as he can, and try to direct his associative powers into the most useful channels. The thinking processes are largely subject to the law of habit, and the associative tendencies may be directed either to mental strength and efficiency or to their opposites.

MEMORY AND ITS CULTIVATION.—When anything returns to consciousness with an "awareness" that it has been present earlier at a definite time and place, we are said to have remembered it, and this may serve as a working definition of memory—that mental process which it is somewhat difficult to define in simple terms.

We have seen that there is no experience of thought or feeling which does not in some way result in a modification of the cortex or brain surface, and it is to this living register of mental states or facts that we look for the reproduction or bringing back to consciousness of any of such states or facts. This physical basis of all retention is seen in some extraordinary instances which mental specialists have recorded. For example, M. Ribot gives us the case of a young German woman who, during her delirious ravings in a fever, was heard quoting whole pages of Latin, Greek, and Hebrew writings. As she could neither read nor write, the simple folk around her concluded that she must be possessed by "the evil one." But the mystery was unravelled by a physician. He found that when the girl was nine years of age, she had entered the house of a pastor who was a noted scholar, and had remained under his roof until his death several years afterwards. Every day for years she had heard the pastor read aloud from his books in these languages. Her brain had retained the record made upon it while listening to these readings, and, although she did not understand a word of them, her brain paths retained the power to reproduce this curious record. This power to recall varies very considerably with the individuals. Some brains are "like wax to receive and like marble to retain." The man with a brain of this type will remember with great ease, while the man whose brain receives impressions much more slowly, will require much study and many repetitions in order to ensure that the facts are thoroughly grasped and clearly registered. Besides the variation in brain retentiveness, the types of images or mental pictures also differ considerably in different minds. Let half a dozen men be asked to recall some occasion or event at which each of them had been present, and it is almost certain that the images thus recalled will be of varying types. When we stated that association as a mental process consisted in the establishment of associative paths between brain centres, we really enunciated one of the fixed laws underlying retention. And everyday experience shows us that the more frequently, the more recently, and the more intensely these brain centres are active, the more easily are we able to retain and, what is equally important, to recall the fact or sensation which gave rise to this brain activity. This may be expressed in another way by saying that frequency, recency, and intensity are essential conditions for all effective memorising.

COMMERCIAL FRENCH

Continued from page 619

KEY TO EXERCISES IN PART 13 (p. 619).

1. *Nous n'avons pas pu préparer la commande à temps pour votre saison.*
2. *Croyez-vous que ce brevet soit bon ? Oui, nous croyons qu'il se vendra facilement.*
3. *Il faut que nous ayons les connaissements d'ici à vendredi, autrement ils manqueront le courrier.*
4. *Apportez-moi du papier et de la ficelle ; ce paquet doit être expédié tout de suite.*
5. *Il est important que la marque de fabrique ainsi que la marque du port soient peintes au patron sur les caisses.*
6. *Nous vous remercions bien des renseignements reçus ; nous apprécions vivement votre attention.*
7. *Nous avons télégraphié à notre chef, et il répond qu'il sera de retour dans trois jours.*
8. *Les responsabilités sont grandes, il est vrai* (lit. *certes*), *mais les appointements sont bons et j'espère avoir du succès* (or *j'espère réussir*).

LESSON XIV.

The pronouns *en* and *y*—

en as a pronoun means "of it," "of that," "of them," "of him," "of her," "some," OR "any."

y as a pronoun means "to it," "at it," "to them"; and also "of it" when the verb takes the dative case.

En and *y* follow the rule with regard to the position of pronouns before or after the verb.

EXAMPLES.

Avez-vous des souliers à vendre ?
Have you any shoes to sell ?
Oui, nous en avons
Yes, we have some.
Achetez-en Buy some.
N'en achetez pas Do not buy any.
Pensez-vous à acheter en gros ?
Do you think of buying wholesale ?
Je n'y pense jamais
I never think of it.
Nous vous envoyons une commande, donnez-y tous vos soins
We send you an order ; give it all your attention.

THE AGREEMENT OF THE PAST PARTICIPLE.—The past participle used with the verb *être* agrees with the nominative or subject in number and gender. The past participle used with the verb *avoir* agrees with the accusative or direct object in number and gender, if the direct object precedes the verb.

A past participle remains invariable in the following cases—

(*a*) When it has *en* for a complement, except when *en* is accompanied by an adverb of quantity :

Combien en avez-vous vendu(e)s ?
How many have you sold (of them) ?
Nous en avons vendu dix
We have sold ten of them.

(*b*) When it is used with Impersonal or Neuter Verbs.

(*c*) When *fait* is used as part of the auxiliary verb *faire* in the sense of "to cause to," "to have," followed by an infinitive :

Nous les avons fait faire la semaine passée
We had them made last week.

(*d*) When placed between *que . . . que*, because it then has the subordinate sentence for object :

La lettre que nous avons entendu que vous aviez vue
The letter we heard you had seen.

(*e*) After *dû* (*devoir*), *pu* (*pouvoir*), and *voulu* (*vouloir*), when an infinitive is understood after them.

Il n'a pas envoyé la marchandise qu'il aurait dû
He did not send the goods he ought to have sent.

IRREGULAR VERBS.—

assaillir	to assail, assault	
tressaillir	to shudder to start (with joy, fear, etc.)	
Pres. Infinitive	— *assaillir*	to assail, assault
Pres. Participle	— *assaillant*	assailing, assaulting
Past Participle	— *assailli*	assailed, assaulted
Pres. Indicative	— *j'assaille, tu assailles, il assaille, nous assaillons, vous assaillez, ils assaillent.*	
Imperfect	— *j'assaillais*, etc.	
Preterite	— *j'assaillis*, etc.	
Future	— *j'assaillirai*, etc.	
Conditional	— *j'assaillirais*, etc.	
Pres. Subjunc.	— *que j'assaille*, etc.	
Imperf. Subjunc.	— *que j'assaillisse*, etc.	
Imperative	— *assaille, qu'il assaille assaillons, assaillez, qu'ils assaillent.*	
	bouillir	to boil
	rebouillir	to boil again (like *bouillir*)
Pres. Infinitive	— *bouillir*	to boil
Pres. Participle	— *bouillant*	boiling
Past Participle	— *bouilli*	boiled

Pres. Indicative — *je bous, tu bous, il bout, nous bouillons, vous bouillez, ils bouillent.*
Imperfect — *je bouillais*, etc.
Preterite — *je bouillis*, etc.
Future — *je bouillirai*, etc.
Conditional — *je bouillirais*, etc.
Pres. Subjunc. — *que je bouille*, etc.
Imperf. Subjunc. — *que je bouillisse*, etc.
Imperative — *bous, qu'il bouille, bouillons, bouillez, qu'ils bouillent.*

This verb *bouillir* is nearly always used in the Infinitive and in the 3rd person singular. It is also very frequently used with *faire* as an auxiliary verb.

mouvoir to move
émouvoir to move, stir up, affect
s'emouvoir to be moved, excited, concerned
(*émouvoir*, *s'emouvoir* like *mouvoir*)
promouvoir to promote
(is used in the Infinitive and Past Participle only)

Pres. Infinitive — *mouvoir* to move
Pres. Participle — *mouvant* moving
Past Participle — *mû* moved
Pres. Indicative — *je meus, tu meus, il meut, nous mouvons, vous mouvez, ils meuvent.*
Imperfect — *je mouvais*, etc.
Preterite — *je mus*, etc.
Future — *je mouvrai*, etc.
Conditional — *je mouvrais*, etc.
Pres. Subjunc. — *que je meuve, qu tu meuves qu'il meuve, que nous mouvions que vous mouviez, qu'ils meuvent.*
Imperf. Subjunc. — *que je musse*, etc.
Imperative — *meus, qu'il meuve, mouvons, mouvez, qu'ils meuvent.*

pourvoir to provide
dépourvoir to deprive
(like *pourvoir*)

Pres. Infinitive — *pourvoir* to provide
Pres. Participle — *pourvoyant* providing
Past Participle — *pourvu* provided
Pres. Indicative — *je pourvois, tu pourvois, il pourvoit, nous pourvoyons, vous pourvoyez, ils pourvoient.*
Imperfect — *je pourvoyais*, etc.
Preterite — *je pourvus*, etc.
Future — *je pourvoirai*, etc.
Conditional — *je pourvoirais*, etc.
Pres. Subjunc. — *que je pourvoie, qu tu pourvoies qu'il pourvoie, que nous pourvoyions, que vous pourvoyiez, qu'ils pourvoient.*
Imperf. Subjunc. — *que je pourvusse*, etc.
Imperative — *pourvois, qu'il pourvoie, pourvoyons, pourvoyez, qu'ils pourvoient.*

valoir to be worth
équivalоir to be equivalent
revaloir to return (like for like)
prévaloir to prevail
se prévaloir to avail oneself, take advantage
(Conjugated like *valoir*)

Note that the Present Subjunctive of *prévaloir* is NOT *que je prévaille*, but *que je prévale*, etc.

Pres. Infinitive — *valoir* to be worth
Pres. Participle — *valant* being worth
Past Participle — *valu* been worth
Pres. Indicative — *je vaux, tu vaux, il vaut, nous valons, vous valez, ils valent.*
Imperfect — *je valais*, etc.
Preterite — *je valus*, etc.
Future — *je vaudrai*, etc.
Conditional — *je vaudrais*, etc.
Pres. Subjunc. — *que je vaille, que tu vailles, qu'il vaille, que nous valions, que vous valiez, qu'ils vaillent.*
Imperf. Subjunc. — *que je valusse*, etc.
Imperative — (NOT USED).

The Subjunctive Mood of a Verb is used in a secondary or dependent clause; and must be used when the verb in the principal clause implies "necessity," "uncertainty," "doubt," "complaint," "expectation," "joy," "fear," "prohibition," "sorrow," "surprise," "will," "wish," OR any emotion.

Note that *espérer*, "to hope," **is the only exception to this rule.**

The verbs *croire*, "to believe," and *penser*, "to think," do not require the Subjunctive **unless** they are used interrogatively or negatively.

The following Impersonal Verbs require the Verb in the secondary or dependent clause to be put in the Subjunctive—

il est bon que	it is good that
il est essentiel que	it is essential that
il est indispensable que	it is indispensable that
il est juste que	it is right that
il est urgent que	it is urgent OR pressing that
il est temps que	it is time that
il est naturel que	it is natural that
il faut que / *il est nécessaire que*	it is necessary that
il convient que / *il est convenable que*	it is becoming, OR fitting OR proper that
il suffit que	it is enough OR sufficient that
il importe que / *il est important que*	it is important, OR of consequence, that

il se peut que	it may be that
il est possible que	it is possible that
il vaut mieux que / *il est préférable que*	it is better that
il est heureux que	it is fortunate that
il est fâcheux que	it is annoying that
il est impossible que	it is impossible that
il est rare que	it is rare that

The following Impersonal Verbs implying "certainty" do not require the Subjunctive in the secondary or dependent clause.

il est certain que	it is certain that
il est clair que	it is obvious that
il est décidé que	it is (OR has been) decided that
il est démontré que	it is proved that
il est évident que	it is evident that
il est incontestable que	it is indisputable that
il est manifeste que	it is manifest that
il paraît que	it appears that
il résulte que	it follows that, the result is that
il (me,nous, &c.)semble que	it seems (to me, to us, etc.) that
il s'ensuit que	it follows that
il est sur que	it is sure that
il est vrai que	it is true that
il est probable que	it is probable that

The following short table will be found useful in fixing the correct tense of the Subjunctive Mood for the secondary clause—

PRINCIPAL CLAUSE :	SECONDARY CLAUSE :
Present Indicative or Future ;	Present Subjunctive ;
Imperfect, Conditional or any Compound Tense.	Imperfect Subjunctive.

TRADUISEZ EN ANGLAIS.

1. *Ci-joint la revue de notre marché.*
2. *Les prix d'ouverture sont bas.*
3. *Il y a peu de demandes.*
4. *Ils se sont un peu relevés vers la clôture.*
5. *La tendance est plutôt à la hausse.*
6. *La prime est payable au reçu de la police.*
7. *Nous n'avons encore rien fait en prunes.*
8. *Nous vous remettons ci-après la note des arrivages.*
9. *Mes écritures sont passées conformément.*
10. *Le riz s'altère par suite des fermentations qu'il subit.*
11. *La qualité du riz s'apprécie par une épreuve de cuisson.*
12. *Dans l'épreuve de la brisure, le grain qui se brise le plus difficilement est celui de meilleure qualité.*
13. *Le marchand avait des pommes à vendre, pourtant je n'en ai pas acheté. Pourquoi ? Parce que je n'y ai pas pensé.*
14. *Est-ce qu'il vendait aussi des poires ? Oui, je les ai vues.*
15. *Avez-vous expédié la marchandise ? Oui, je l'ai fait expédier avant-hier.*
16. *Vous auriez dû la faire expédier plus tôt.*

TRANSLATE INTO FRENCH.

1. Will you be able to meet your liabilities ?
2. Please send me a few samples of your staple goods.

VOCABULARY.

les écritures	the entries
conformément	in conformity
s'altérer	to become adulterated, dry
les fermentations	fermentations
s'apprécier	to be estimated, valued
une épreuve	a test
la cuisson	cooking
la brisure	breaking
se briser	to fall to pieces / to be broken
faire face aux engagements	to meet liabilities
marchandises principales	staple goods
droits d'exportation	export duties
droits d'importation	import duties
les administrateurs	the directors
les actionnaires	shareholders
l'affaire (f.)	the concern
la suprématie	supremacy
marchandises en laine	woollen goods

3. The directors of that company are all large shareholders in the concern.
4. England still maintains her supremacy in the manufacture of woollen goods.
5. Please attend to the insurance, and make sure that every cask is in good condition.
6. One of the directors of that company held a hundred shares, but he has sold some of them.
7. How many (of them) has he sold ? I do not know exactly, but I believe (that) he has sold fifty-five (of them).
8. When there is a protective tariff, the export duties and the import duties are always changing.
9. I hope that the shareholders will meet to-morrow.
10. I have not seen them since last year.
11. It is time that he went away.
12. It suits me for him to come here.
13. It is certain that you are mistaken.
14. It is evident that you did not think of it.
15. Opening prices were high, but there was a tendency to decline towards the close.
16. We send you herewith the insurance policy.

COMMERCIAL GERMAN

Continued from page 622

KEY TO EXERCISES IN PART 13 (p. 622).

I.—1. I have had a letter written. 2. Has he had the goods carefully packed? 3. The proprietor let (*or* caused) the ship (to) sail. 4. I could not confirm the receipt of the order. 5. During the winter the price of these cloths is very high. 6. I have not been allowed to write hitherto.

II.—1. *Er muss ausgehen.* 2. *Wir sollen diese Waren heute verkaufen.* 3. *Ich habe den Inhalt des Briefes lesen wollen.* 4. *Er möchte die Denkmäler der Stadt besuchen.* 5. *Heute ist der vierzehnte Februar* or *heute haben wir den vierzehnten Februar.* 6. *Wegen der Nachfrage wird der Preis dieses Tuches sehr hoch.*

LESSON XIV.

THE DATIVE CASE.—The Dative Case is formed in English from the Article "the" and the Preposition "to": "to the."

In German, the Dative is composed, like the Genitive, of a single word. The Dative is the only case where the Article of the Singular Feminine and of the Plural for all genders is different.

In the Plural, all nouns take the termination *n*, except if the noun ends already in *n*.

MASCULINE & NEUTER.		FEMININE.		PLURAL FOR ALL GENDERS.	
dem	to the	*der*	to the	*den*	to the

1. THE DEFINITE ARTICLE.

	MASCULINE.	NEUTER.	FEM. & PLURAL.	
Nom.	*der*	*das*	*die*	the
Acc.	*den*			the
Gen.	*des*		*der*	of the
Dat.	*dem*	*der*	*den*	to the

2. ADJECTIVES.

	MASCULINE.	NEUTER.	FEMININE & PLURAL.	
Nom.	*dieser*	*dieses* this	*diese*	this OR
Acc.	*diesen*			these
Gen.	*dieses*	of this	*dieser*	of this OR of these
Dat.	*diesem*	to this	*dieser*	to this
			diesen	to these

3. POSSESSIVE ADJECTIVES.

	MASCULINE.	NEUTER.	FEMININE & PLURAL.	
Nom.	*mein*	*mein*	*meine*	my
Acc.	*meinen*			
Gen.	*meines*		*meiner*	of my
Dat.	*meinem*		*meiner*	to my
			meinen	to my

4. INDEFINITE ARTICLE.

	MASCULINE.	NEUTER.	FEMININE & PLURAL.	
Nom.	*ein*	*ein*	*eine*	a
Acc.	*einen*			
Gen.	*eines*		*einer*	of a
Dat.	*einem*		*einer*	to a

When an Adjective precedes a noun, without being itself preceded by the Definite or Indefinite Article, or by one of the above Adjectives, it is declined like the Adjective *dieser*.

[Often, however, the Genitive takes *n* instead of *s*.]

5. ADJECTIVES.

	MASCULINE.	NEUTER.	FEM. & PLURAL.	
Nom.	*frischer*	*frisches*	*frische*	fresh
Acc.	*frischen*			
Gen.	*frisches*		*frischer*	of fresh
Dat.	*frischem*	*frischer*	*frischen*	to fresh

EXAMPLES.

1. *Wir werden dem Kaufmann einen Auftrag geben*
   We shall give an order to the merchant.
   Ich werde dem Mädchen das Buch geben
   I shall give the book to the girl.
   Ich zeige der Dame das Muster
   I show the sample to the lady.
   Was sagen Sie den Verkäufern?
   What do you say to the salesmen?
   Was zeigen Sie den Mädchen?
   What do you show to the girls?
   Was antworten Sie den Damen?
   What do you answer the ladies?

2. *Ich gebe diesem Einkäufer das Muster*
   I give the sample to this buyer.
   Wir werden diesem Mädchen ein Buch geben
   We shall give a book to this girl.
   Er würde dieser Dame das Tuch zeigen
   He would show the cloth to this lady.
   Ich gebe diesen Einkäufern die Muster
   I give the samples to these salesmen.

3. *Was sagen Sie meinem Bruder und meiner Schwester?*
   What do you say to my brother and (my) sister?
   Was geben Sie meinen Brüdern?
   What do you give to my brothers?

4. *Ich gebe etwas einem Freund*
   I give something to a friend.

Ich zeige den Korb einem Mädchen und einer Dame
I show the basket to a girl and a lady.

The following Prepositions are always followed by the Dative—

aus	out of, from
binnen	within
bei	at, near, by [with]
mit	with
nach	after, to [before the name of towns, etc.]
seit	since
von	of, from, by
zu	to, at
gegenüber	opposite to
gemäss / *nach*	according to

The last three Prepositions are placed after the noun—

Dem Bahnhof gegenüber
Opposite (to) the station.
Meiner Meinung nach
In (*or* according to) my opinion.
Ihren Vorschriften gemäss
According to your instructions.

aus dem	out of the (masc. & neuter)
aus der	out of the (fem.)
aus den	out of the, (plural) etc.

In German there are two diminutive terminations: *chen* and *lein*. They may be added to any noun, which then becomes Neuter, and generally modifies its root vowel. If the noun ends in E, this letter is generally omitted.

der Mann	the man
die Tochter	the daughter
das Kind	the child
der Stuhl	the chair
die Katze	the cat
das Haus	the house

das Männchen	OR	*das Männlein*	the little man
das Töchterchen	,,	*das Töchterlein*	the little daughter
das Kindchen	,,	*das Kindlein*	the little child
das Stühlchen	,,	*das Stühllein*	the little chair
das Kätzchen	OR	*das Kätzlein*	the little cat
das Häuschen	,,	*das Häuslein*	the little house

The termination usually indicates that a person or thing is smaller than the usual size; but very often it is used to express endearment, and is added to the names of children, etc.

THE DECLENSIONS.—In Lesson II, the general rule for the declension of monosyllables was given, namely: Most monosyllables form their plural by adding *e* to the noun. In the case of Neuter Nouns, however, *er* is more usual.

Masculine and Neuter Nouns add *s* or *es* in the Genitive; Feminine Nouns never change in the Singular. No exception will be given in this course.

In order to facilitate the declension of the nouns, they are divided into three groups, namely, first, second, and third declensions.

The above will be called the first declension.

To the second declension belong all nouns of more than one syllable ending in *er*, *el*, and *en* [*chen* and *lein* included].

The Masculine and Neuter Nouns take the termination s in the Genitive. In the Plural they generally modify their root vowel if it is *a*, *o*, *u*, or *au*. If the nouns end in N they do not take an additional *n* in the Dative Plural.

The Feminine Nouns take the termination N in the Plural.

[This termination distinguishes the Singular from the Plural—

die Feder —Singular
die Federn —Plural]

Some Nouns of this declension.

MASCULINE.	
der Besitzer	the proprietor
der Vertreter	the agent
der Inhaber *	the proprietor
der Gläubiger	the creditor
der Schuldner *	the debtor
der Fehler	the mistake
der Nachfolger *	the successor
der Teilhaber *	the partner
der Vorgänger	the predecessor
der Richter	the judge
der Führer	the guide
der Dampfer *	the steamer
der Betriebsleiter	the manager
der Apfel	the apple
der Vogel	the bird

EXAMPLES.

SINGULAR.			PLURAL.		
MASCULINE.					
Nom.	*der*	*Vertrag*	Nom. / Acc.	*die*	*Verträge* — the agreements
Acc.	*den*	*Vertrag*			
Gen.	*des*	*Vertrags* — of the agreement	Gen.	*der*	*Verträge* — of the agreements
Dat.	*dem*	*Vertrag* — to the agreement	Dat.	*den*	*Verträgen* — to the agreements

NEUTER.

Nom. Acc.	*das Schiff*	the ship	Nom. Acc.	*die Schiffe*	the ships
Gen.	*des Schiffs*	of the ship	Gen.	*der Schiffe*	of the ships
Dat.	*dem Schiff*	to the ship	Dat.	*den Schiffen*	to the ships

FEMININE.

Nom. Acc.	*die Stadt*	the town	Nom. Acc.	*die Städte*	the towns
Gen.	*der Stadt*	of the town	Gen.	*der Städte*	of the towns
Dat.	*der Stadt*	to the town	Dat.	*den Städten*	to the towns

Examples of Nouns ending in "er."

	Singular.		Plural.		
		MASCULINE.			
Nom. Acc.	*der Teilhaber*	the partner	Nom. Acc.	*die Teilhaber*	the partners
Gen.	*des Teilhabers*	of the partner	Gen.	*der Teilhaber*	of the partners
Dat.	*dem Teilhaber*	to the partner	Dat.	*den Teilhabern*	to the partners
		NEUTER.			
Nom. Acc.	*das Messer*	the knife	Nom. Acc.	*die Messer*	the knives
Gen.	*des Messers*	of the knife	Gen.	*der Messer*	of the knives
Dat.	*dem Messer*	to the knife	Dat.	*den Messern*	to the knives
		FEMININE.			
Nom. Acc.	*die Schwester*	the sister	Nom. Acc.	*die Schwestern*	the sisters
Gen.	*der Schwester*	of the sister	Gen.	*der Schwestern*	of the sisters
Dat.	*der Schwester*	to the sister	Dat.	*den Schwestern*	to the sisters

Examples of Nouns ending in "el."

	Singular.		Plural.		
		MASCULINE.			
Nom. Acc.	*der Esel*	the donkey	Nom. Acc.	*die Esel*	the donkeys
Gen.	*des Esels*	of the donkey	Gen.	*der Esel*	of the donkeys
Dat.	*dem Esel*	to the donkey	Dat.	*den Eseln*	to the donkeys
		NEUTER.			
Nom. Acc.	*das Bündel**	the parcel	Nom. Acc.	*die Bündel*	the parcels
Gen.	*des Bündels*	of the parcel	Gen.	*der Bündel*	of the parcels
Dat.	*dem Bündel*	to the parcel	Dat.	*den Bündeln*	to the parcels

[*Also Masculine.]

FEMININE.

Nom. Acc.	*die Gabel*	the fork	Nom. Acc.	*die Gabeln*	the forks
Gen.	*der Gabel*	of the fork	Gen.	*der Gabeln*	of the forks
Dat.	*der Gabel*	to the fork	Dat.	*den Gabeln*	to the forks

Examples of Nouns ending in "n."

	SINGULAR.		MASCULINE.	PLURAL.
Nom. Acc.	*der Faden* / *den Faden*	the thread	Nom. Acc. *die Fäden*	the threads
Gen.	*des Fadens*	of the thread	Gen. *der Fäden*	of the threads
Dat.	*dem Faden*	to the thread	Dat. *den Fäden*	to the threads

NEUTER.

Nom. Acc.	*das Leben*	the life	Nom. Acc. *die Leben*	the lives
Gen.	*des Lebens*	of the life	Gen. *der Leben*	of the lives
Dat.	*dem Leben*	to the life	Dat. *den Leben*	to the lives

der Wechsel	the bill of exchange
der Artikel	the article
der Mangel	the want (of), lack
der Löffel	the spoon
der Garten	the garden
der Kuchen *	the cake
der Hafen	the harbour
der Posten *	the item
der Ballen	the bale
der Schinken	(the) ham
der Kragen *	the collar
der Faden	the thread
der Laden	the shop
der Wagen	the carriage
der Rahmen *	the frame

NEUTER.

das Lager *	the stock
das Feuer	the fire
das Leder	the leather
das Messer	the knife
das Wetter	the weather
das Theater	the theatre
das Fenster	the window
das Wasser *	the water
das Bauer *	the bird-cage
das Muster *	the sample
das Schreiben	the letter
das Ableben	the deccase
das Guthaben *	the credit
das Veilchen	the violet
das Mädchen	the girl

FEMININE.

die Schwester	the sister
die Feder	the feather
die Auster *	the oyster
die Leber	the liver
die Schüssel	the dish
die Nadel *	the needle
die Sichel	the sickle
die Gabel *	the fork
die Spindel	the spindle
die Regel	the rule
die Achsel *	the shoulder
die Mandel *	the almond
die Muschel *	the mussel
die Wurzel *	the root
die Muskel *	the muscle

TRANSLATE INTO ENGLISH.

Wir haben mit dem Sohn des Besitzers in Berlin gesprochen. Die Muster des Vertreters sind nicht gut. War der Bruder des Inhabers auch da? Wo sind die Briefe der Gläubiger? Warum haben Sie den Fehler nicht berichtigt? Kennen Sie den Nachfolger? Ihr Vorgänger kaufte diese Ware in Russland. Ich muss zuerst meine Teilhaber fragen. Wer kommt mit den Löffeln und Gabeln? Die Löffel sind aus Silber. Die Gabeln sind aus Stahl. Die Messer sind nicht scharf. Man schneidet mit dem Messer. Sie müssen die Ballen absenden. Wer hat den Wagen gesehen? Die Farbe des Rahmens ist nicht hell genug. Warum kann er nicht den Inhalt des Schreibens verstehen? Die Farbe des Veilchens ist sehr schön. Das Glas des Fensters ist sehr dünn. Das Leder ist sehr dick. Die Theater dieser Stadt sind sehr gross. Wir können Ihnen diese Federn besonders empfehlen. Die Gabel ist zu klein. Die Gabeln sind unterwegs beschädigt worden. Ich kann diese Regel nicht verstehen. Sie müssen alle Regeln gut lernen. Die Nadel ist sehr fein. Wir beziehen unsere Nadeln aus England.

TRANSLATE INTO GERMAN.

Has the merchant received the bill of exchange? In my opinion the agent has made a mistake. The debtor met the creditors according to (the) instructions. The two partners spoke to the manager yesterday. Mr. Smith is the successor of Mr. Brown. I hope he will be more industrious than his predecessor. The judge came out of the house and went into the garden. The factory proprietor gets (*bezieht*) his whole stock from France. Were the agent's samples satisfactory? We will give these girls some violets. The weather is very changeable (*veränderlich*); yesterday it was very cold and to-day it is raining. Have you learnt the rules by heart? Has the merchant sent the needles to the customer? The guide lives opposite the station. England has numerous harbours.

* The nouns marked * do not modify their root-vowel in the Plural, as :—*der Wagen, die Wagen.*

COMMERCIAL SPANISH

Continued from page 625

KEY TO EXERCISES IN PART 13 (p. 625).

1. We have missed some pieces. 2. This is a style of much novelty. 3. We have written some letters. 4. We hope you will send us these goods at your earliest convenience. 5. Do not forget that the duties will be raised very soon. 6. We are thankful that we have obtained our desire. 7. We have already told the maker to execute our order on the best possible conditions. 8. All investigations that have been made have been unsuccessful. 9. The auctioneer has sold at public auction all the goods which were damaged. 10. Send us a bit of the cloth, so that we may have something to go by. 11. I have ordered a new suit to be made. 12. The fly-wheel must be packed separately. 13. I do not allow anybody to speak to me in such language. 14. The machinery is broken. 15. The steamer will call at Málaga. 16. I have an appointment with the broker. 17. We have had a pleasant passage. 18. All the articles of your order are now ready. 19. We do not like the shade at all.

1. *Prefiero el matiz rojo al negro.* 2. *Les dijimos que nos enviasen los paquetes sin demora.* 3. *¿ Hará escala este vapor en el Havre ?* 4. *Dígale que no debe olvidarse de verificar el contenido del fardo.* 5. *Es extraño que no hayamos recibido aviso de la llegada de este vapor.* 6. *Hemos traducido textualmente este documento.* 7. *No deseamos ponerles ningún obstáculo.* 8. *Nuestro cliente está muy enojado de que le hayamos embarcado estos géneros de una vez.* 9. *Por cierto que no perderán Vds. tiempo en confirmar este renglón.* 10. *No sabíamos que él se había hecho tan rico.* 11. *Ni nosotros ni nuestro cliente podemos aceptar esta oferta.* 12. *¿ Qué ha sido del pedido que le enviamos el año pasado ?* 13. *Repartiremos el producto entre los interesados.* 14. *Esperamos que Vd. tendrá una feliz travesía.* 15. *Sírvase Vd. enviarnos su cheque á vuelta de correo.* 16. *No quiero que Vd. derroche tanto dinero.* 17. *¿ Cuándo echó Vd. de menos las piezas ?* 18. *Nació en el año* 1880, *y murió el año pasado.* 19. *No puedo permitir que se me hable en tal lenguaje.*

LESSON XIV.

IRREGULAR VERBS (*continued*).

DORMIR, to sleep—

Present Indicative — *duermo, duermes, duerme, dormimos, dormís, duermen.*
Past Definite — *dormí, dormiste, durmió, dormimos, dormisteis, durmieron.*
Present Participle — *durmiendo.*

MORIR, to die—

Morir is conjugated in the same way as *dormir*, i.e.—

Present Indicative — *muero, mueres*, etc., and ;
Past Definite — *morí, moriste, murió*, etc., but the
Past Participle is — *muerto.*

NOTE. The Compound Tenses of *morir* are generally formed with the verb *haber*, although Ser and Estar are used in some cases.

EXAMPLE : He is dead, *ha muerto.*

SALIR, to go out—

Present Indicative — *salgo, sales, sale, salimos, salís, salen.*
Future — *saldré, saldrás, saldrá*, etc.
Conditional — *saldría*, etc.
Imperative — *sal, salga ; salgamos, salid, salgan.*

OIR, to hear—

Present Indicative — *oigo, oyes, oye, oimos, oís, oyen.*
Past Definite — *oí, oiste, oyó, oimos, oisteis, oyeron.*
Present Participle — *oyendo.*

The tenses not given are Regular. The Subjunctive Tenses will be formed according to the rules previously laid down, i.e. the Present Subjunctive is formed from the 1st person singular of the Present Indicative, as—

duerma, from *duermo* *salga*, from *salgo*
muera ,, *muero* *oiga* ,, *oigo*

The other tenses of the Subjunctive are formed, as already stated, from the 3rd person plural of the Past Definite, as—

oyese, from *oyeron* *durmiese*, from *durmieron*

VARIOUS. To Think, PENSAR, CREER, PARECER, etc. When the verb "to think" represents "to believe," the verb *creer* is used in preference to *pensar*, as—

Do you think he will come ?
¿ Cree Vd. que él vendrá ?

"To think of" is translated by *pensar de* OR *pensar en*, according to the sense, as—

What do you think of this book ?
¿ Qué piensa Vd. de este libro ?
I was thinking of you.
Pensaba en Vd.

When "to think" has the meaning of "to intend," PENSAR is used, as—

Pienso ir á Londres.
I am thinking of going to London.

PARECER is also used in the meaning of "to think of," as—

What do you think of this ?
¿ Qué le parece esto ?

Also—

¿ Qué tal le parece ?
What do you think of it ?

Sometimes the words *qué tal* are used alone, as—

Hola, amigo, ¿ qué tal ?
Well, old fellow, how are you ?
(OR how are things ?)

"To think fit, OR advisable," etc., are rendered by *creer* or *juzgar conveniente, prudente, acertado, bien*, etc., as—

No creemos prudente (or *conveniente*) *hacerlo por ahora.*
We don't think it advisable to do it just now.

Since. This word may be rendered by *desde, pues, puesto, después*, or *hace*, etc.

EXAMPLES :

It is six years since. *Hace seis años.*
How long is it since ? *¿ Cuánto tiempo hace ?*
Since when (OR how long) have you had this ?
¿ Desde cuándo tiene Vd. esto ?
He has not done anything since.
El no ha hecho nada después (or *desde entonces*).
Since you will not do it, I shall do it myself.
Ya que Vd. no quiere hacerlo, yo mismo lo haré (or : *puesto que Vd. no quiere*, etc.).
I did not do it, since he had already done it.
Yo no lo hice, pues él ya lo había hecho.

Then. When referring to past time, "then" is rendered by *entonces*. When used in the sense of "therefore," it is rendered by *pues*. When it relates to a further or subsequent action, it is rendered by *luego*.

EXAMPLES :

Estaba entonces en París.
He was then (at that time) in Paris.
Pues hágalo Vd. Do it then.
Leyó la carta, luego salió.
He read the letter, then he went out.

As. COMO and PUES ; POR. *Como* is generally used to commence a sentence, as—

Como no tiene fondos, no puede pagar la cuenta.
As he has no funds (OR money), he cannot pay the account.

Pues is generally used to begin a second sentence (often explaining the reason of the action signified by the first), and has rather the meaning of "because," "since," "as."

EXAMPLES :

No puede pagar la cuenta, pues no tiene fondos.
He cannot pay the account, as he has no money.

Pues has also the meanings of "well" and "then," as—

Pues ¿ porqué no lo hizo ?
Well, why did you not do it ?
Mándenos, pues, esta nota.
Send us, then (OR therefore), this note

Por is often used for "as," and is generally followed by the Infinitive of the verb, as—

No puedo hacerlo por no tener tiempo.
I cannot do it, as I have not time.

VOCABULARY.

the advice, *el consejo, el aviso*
a good deal, *mucho*
all right, *muy bien, sin novedad*
at sight, *á la vista*
the general average, *la avería gruesa*
the back, *el revés, el dorso*
broken, p.p. (of *romper*), *roto*
by way of trial, *por vía de ensayo*
behindhand, *atrasado*
beforehand, *de antemano*
the Channel, *la Mancha*
the collection, *el cobro*
the competition, *la competencia*
the crisis, *la crisis*
the death, *la muerte, el fallecimiento*
the brush, *el cepillo*
the face, *la cara*
except, *salvo, menos*
the import, *la importación*
on, *sobre, á cargo de*
old, *viejo, antiguo*
of course, *naturalmente*
quick, *rápido, veloz, ligero*
quite, *por completo*
rather, *antes, más bien*
the respect, *el respeto*
the rope, *la cuerda, la soga*
the rubber, *la goma, el caucho*
the sale, *la venta*
the share, *la parte, la acción* (stock)
shareholder, *el accionista*
several, *varios*
soon, *pronto*
the sheet (of paper), *el volante*
the success, *el (buen) éxito*
the tin, *el estaño*
the time, *la época*
the term, *el plazo*
the warp, *la urdimbre*
the weft, *la trama*
the weather, *el tiempo*
to ask (if), *preguntar*
to annoy, *disgustar*
to break, *romper*
to credit, *acreditar, abonar*
to draw, *girar*
to gather, *recoger, desprender* (fig.)
to reply, *contestar*
to require, *necesitar, exigir*

to run aground, *encallar*
to rule, *regir*
to secure, *conseguir*
to succeed (to be successful), *tener éxito, salirle bien*
to succeed (to follow), *suceder*
to take out, *sacar*
to notice, *fijarse en*
to want, *necesitar, hacer falta*

Exercise 27.

1. *Hace muchos años que mi hermano vino á verme.* 2. *Pues ¿ porqué no nos remitieron los géneros que les pedimos hace dos meses ?* 3. *En aquel entonces* (at that time) *mis clientes se encontraban en París.* 4. *Esta es la época más conveniente para hacer las compras de aceite.* 5. *A mi amigo le sale bien cuanto emprende* (he undertakes). 6. *Le deseo mucho éxito en sus negocios.* 7. *De su carta desprendemos que no puede pagarnos el importe que nos debe.* 8. *Estos géneros me hacen mucha falta.* 9. *El buque ha encallado en la costa de Holanda.* 10. *Fíjense Vds en el apresto de esta tela, que es muy bonito.* 11. *No ha contado los hilos de la urdimbre.* 12. *Los precios que rigen hoy son muy elevados.* 13. *Luego que reciban Vds esta carta, giren á nuestro cargo por la suma de* 2,000 *pesetas.* 14. *Los accionistas de esta Compañía exigen que se celebre* (*celebrarse*, to take place) *una reunión muy en breve* (shortly). 15. *Les damos las gracias por el cobro de nuestro giro.* 16. *Me parece que el tiempo no será muy bueno, pues amenaza* (it threatens : it looks like) *lluvia.* 17. *Este cliente nos pide que se prorrogue* (*prorrogar*, to extend) *el plazo de nuestro giro.* 18. *Más bien deseamos anular el pedido.* 19. *Este bulto ha llegado con el envase roto, y se han sustraído varias piezas de su contenido.* 20. *El vapor no ha salido todavía de la Mancha.*

Exercise 28.

1. I could not secure the line (*artículo*), as it was already sold. 2. His father died yesterday, and he will succeed him in the business. 3. We hope they will succeed. 4. We are sorry that you are so behindhand with your payments. 5. I hear him talking in the next room, unless (*si no*) I am mistaken. 6. We send you a consignment (*consignación* or *envío*) of rubber, by way of trial. 7. We are pleased to say that all the brushes arrived all right. 8. Do you think he is annoyed with us ? 9. Let us know (*avísenos Vd.*) what you think of it. 10. We are greatly in want of these ropes, which we use for packing. 11. The success of the firm depends largely (*mucho*) on (*de*) the sales which you make. 12. We do not send you any money now, as we are rather short of funds. 13. He replied to us last week that he had since drawn on us. 14. He gave me a good deal of advice, but I did not ask him for it. 15. We asked them if they had heard this, and they replied that they had not. 16. Are you thinking of paying us a visit (*hacernos una visita*) this year ? 17. It is a long time since you were here before. 18. Since you are so hard to please (*exigentes*), we insist on (*en*) ceasing to do business with you. 19. The general average will be paid next week, and we shall then credit you with the amount in question. 20. Has he left your town yet ?

General.

We sincerely regret[1] the thefts that have been taking place for some time[2] in the shipments that we have been making to your esteemed house, and we can fully appreciate that this series of shortages is a source of great annoyance to your good selves.[3] We are at present in treaty with[4] the underwriters regarding your claim, and as soon as it is settled[5] we shall at once advise you on the subject.

Cúmpleme poner en conocimiento de Vdes[6] *que el peso de los Piqués Nos.* 15 *y* 50, *pertenecientes*[7] *á su envío por vapor " Cymric," ha venido equivocado en factura. Su representante Sr. Thomas explicará á Vdes el error que, de no advertirse*[8] *á tiempo, hubiera sido la causa de pagar de más*[9] *una cantidad relativamente importante, por concepto de*[10] *derechos.*

1 We sincerely regret, *muy de veras lamentamos ;* 2 that have been taking place for some time, *que de algún tiempo á esta parte se vienen sucediendo ;* 3 we can fully appreciate that this series of shortages is a source of great annoyance to your good selves, *apreciamos muy bien lo mucho que les habrá disgustado esta serie de faltas ;* 4 we are at present in treaty with, *gestionamos ahora su reclamo con ;* 5 as soon as it is settled, *una vez que se efectúe el cobro.*

6 *Cúmpleme poner en conocimiento de Vdes*, I have to (it devolves on me to) inform you ; 7 *pertenecientes á*, belonging (or pertaining) to ; 8 *de no advertirse*, if it had not been noticed ; 9 *de más*, extra, in excess ; 10 *por concepto de*, as (in the way of).

. . . . . .

In reference to[1] your consignment of machines[2] forwarded on the 17th ult., and particulars[3] of which are contained in our communication of the 4th ult., we regret to have to inform you that, owing to defective packing,[4] the goods were damaged by sea-water,[5] and were thereby rendered unsaleable.[6]

1 In reference to, *con referencia á ;* 2 machines, *máquinas ;* 3 particulars, *pormenores, detalles ;* 4 defective packing, *el envase imperfecto* (or *defectuoso*) ; 5 sea-water, *agua de mar ;* 6 and were thereby rendered unsaleable, *quedando por lo tanto invendibles.*

ELEMENTARY ITALIAN

Continued from page 626

KEY TO EXERCISES IN PART 13 (p. 626).

I.—*Pagheremmo, giudicheremmo, pregheremmo, mangeremmo, manderemmo, cominceremmo, lasceremmo, chiameremmo, ci affretteremmo, chiuderemmo, daremmo, faremmo.*

II.—1. Your commercial traveller has sent us the patterns (*or* samples). 2. Have you given the money to the manufacturer? Not yet, I will give it him to-morrow. 3. Where is the ledger? The clerk will bring it me next Monday. 4. I have received your kind wishes and reciprocate them (to you) heartily. 5. Have you seen the pattern? No, the clerk will show it me directly (*or* at once). 6. I beg you to hasten (*or* speed up) your esteemed orders.

LESSON XIV.

THE IMPERATIVE MOOD is, in all conjugations, like the Indicative Present in the first and second persons plural and, in the case of the second and third conjugations, also in the second person singular.

Comprare.	**Vendere.**	**Servire.**
compra, buy (thou)	*vendi,* sell (thou)	*servi,* serve (thou)
compri, let him buy, buy (you)	*venda,* let him sell, sell (you)	*serva,* let him serve, serve (you)
compriamo, let us buy	*vendiamo,* let us sell	*serviamo,* let us serve
comprate, buy (you)	*vendete,* sell (you)	*servite,* serve (you)
comprino, let them buy	*vendano,* let them sell	*servano,* let them serve

Imperative of Dare (*irreg.*)	**Imperative of Fare** (*irreg.*).
dà, give (thou)	*fà,* do (thou)
dia, let him give, give (you)	*faccia,* let him do, do (you)
diamo, let us give	*facciamo,* let us do
date, give (you)	*fate,* do (you)
diano, let them give	*facciano,* let them do

The Imperative of *stare* is like that of *dare,* viz., *sta, stia, stiamo, state, stiano.*

Personal Pronouns follow the verb in the Imperative affirmative (except in the 3rd person), and *form one word with it.* In addition, where the verb ends in an accented vowel, the consonant of the pronoun is doubled except in the case of *gli.* Examples: *compriamolo,* let us buy it; *vendeteli,* sell them; *vendetegliela,* sell it (*fem.*) to him; *dammi, datemi,* give me; *dammelo, datemelo,* give it me; *dagli, dategli,* give him; *daglielo, dateglielo,* give it him; *fallo venire, fatelo venire,* send for him (lit., make him come); *giudichiamoci,* let us judge ourselves. In the same way the pronoun unites with the Infinitive, the Present Participle (used as gerund), and the Past Participle, e.g., *comprarlo, comprarmelo, vendendoli, datogli* (having given him). STUDENTS ARE RECOMMENDED TO BE ON THE ALERT FOR THESE FORMS, which may otherwise be mistaken for new words, and thus prove very puzzling.

In the 3rd person of the Imperative the pronoun follows the general rule, and precedes the verb, e.g. *mi scusi,* excuse me; *mi faccia il piacere,* do me the favour. (N.B.—As previously mentioned, the 3rd person is used as the polite form of address, but in commercial letters the 2nd person plural is employed, as in English.) When the other persons of the Imperative are used negatively the pronoun also precedes, e.g. *non li vendete,* do not sell them; *non lo paghiamo,* do not let us pay him.

In Reflective Verbs the accompanying pronoun follows the rules given above. Thus, the Imperative of *affrettarsi* (to hurry oneself) is *affrettati, si affretti, affrettiamoci, affrettatevi, si affrettino.*

Many verbs are reflective in Italian and not in English, e.g. *alzarsi,* to get up, rise; *ricordarsi,* to remember. Often, too, this form is used instead of the English passive voice, e.g. *quì si parla italiano,* Italian is spoken here; *queste fotografie non devono esporsi alla luce,* these photographs must not be exposed to the light; *il negozio si riaprirà la settimana prossima,* the stores (shop) will be reopened next week; *che cosa si vende quà?* what is sold here?

The pronoun *ne* is similar to the French *en.* It stands for "of it, from it, from there, of *or* from him, her *or* them, some," etc., e.g. *parlarne,* to speak of it, of them, etc.; *gliene parlerò,* I will speak to him about it; *datemene,* give me some. It appears also in the reflective verb *andarsene,* to go away, e.g. *me ne vado,* I go away; *andiamocene,* let us go away.

"So" in sentences like "I think so" is translated *lo,* e.g. *lo credo,* I think so; *lo spero,* I hope so.

Ci and *vi* may refer to things, and in that case stand for "at, of, to *or* in it," e.g. *ci penserò,* I will think of it. These pronouns are also used adverbially for *there,* e.g. *non c'è dubbio,* there is no doubt; *ci sono molti che lo credono,* there are many who believe it; *vi son(o) stato una volta,* I have been there once.

EXERCISE.

Translate: 1. *Volete lasciarmi finire?* 2. *Ci perdete molto, ve l'assicuro.* 3. *Li avete avvertiti* (warned)? 4. *Sentiamolo* (*sentire* = to hear). 5. *Lasciamola lì* (there). 6. *Io non vi posso costringere* (compel) *ad accompagnarmi.* 7. *Non ve lo dirò.* 8. *Non se ne parli più.*

STATISTICS

Continued from page 570

LESSON II.

GENERAL.—The preparation and utilisation of statistics requires from the student a good knowledge of arithmetic, in particular decimals and approximations will require to be studied. The student is referred for an outline of this part of the subject to the lessons on arithmetic. In the business world the results of trading, as shown in the accounts, can be made accurate to the last penny, whilst in the world of economics numerical information is generally based on approximations. Thus accuracy can only be obtained within defined limits, and the use of significant figures beyond these limits is waste of time.

APPROXIMATIONS.—In economic matters, when dealing with large figures in the millions, it is almost impossible to make statements correct to the unit. In returns relating to the cotton trade a statement was recently made that the consumption of raw cotton throughout the world during the half year ending 31st July amounted to 7,357,212 bales. Such a statement has, so far as the final digits are concerned, little meaning unless the figures from all countries were carefully collected and a rigid official check kept on consumption. Hence, a fair statement in relation to the matter in question would be that about 7,357,200 bales were used, or to the nearest thousand, 7,357,000.

If we examine the figures from which the foregoing total is made up we find

	Bales.
Great Britain consumed	630,230
France ,,	251,935
Germany ,,	457,257
Italy ,,	289,044
Spain ,,	117,529
Belgium ,,	82,286
India ,,	904,181
Japan ,,	971,654
United States ,,	2,540,000
Other countries ,,	1,113,096
Total	7,357,212

This table will only be correct within limits. There is no universal law requiring returns as to the consumption of cotton, nor are statistical facts collected in the same way and under the same conditions in each of the countries mentioned. Possibly the figures given for the United States are in round numbers, and no doubt the fifth figure is the first significant figure, that is, the number stated is an approximation in the tens of thousands.

Assuming that with the method adopted to obtain the British figure of 630,230, it was only possible to obtain the figure correct to the nearest hundred, we could express the amount of cotton consumed in the half-year ended 31st July, in the following ways.

(*a*) 630,230 $\pm$ a number of bales not exceeding 100.

(*b*) The quantity was 630,23 $\pm$ 10 (one cipher omitted, the unit adopted being 10).

(*c*) 630,130 as the lowest estimate, 630,330 as the highest, or between 630,130 and 630,330.

(*d*) 630,000 or 630×10^3 to the nearest thousand.

Using the last approximation, the foregoing table would be made out—

	Bales.	000
Great Britain held	630,000	630
France ,,	252,000	252
Germany ,,	457,000	457
Italy ,,	289,000	289
Spain ,,	118,000	118
Belgium ,,	82,000	82
India ,,	904,000	904
Japan ,,	972,000	972
U.S.A. ,,	2,540,000	2,540
Miscellaneous ,,	1,113,000	1,113

When it is necessary to approximate to the nearest ten, hundred, two hundred and fifty, etc., care should be taken to see that the next number above is not uniformly selected (*See* Lesson V on Bias of Error). An examination of the list given showing the *nearest* thousand will indicate what is meant.

The student should understand the arithmetic of approximate figures. If we state that the following numbers are correct within the limits indicated, we are in a position to find the total of the number and the limits within which the total may be considered reliable. Let us add 630,230 correct to 1 per cent. + 251,935 correct to 2 per cent. + 457,257, correct to 5 per cent.; the first item in our addition will lie between 630,230 + 6,302 and 630,230 – 6,302, the second between 251,935 + 5,038 and 251,935 – 5,038, and the third between 457,257 + 22,863 and 457,257 – 22,863. Arranged for purposes of total we should have—

630,230 $\pm$	6,302
251,935 $\pm$	5,038
457,257 $\pm$	22,863
1,339,422 $\pm$	34,203

The answer is 1,339,400 correct to 3·5 per cent.

COMMERCIAL TRAVELLING

Continued from page 582

LESSON IX.

FAULTS OF COMMISSION METHODS.—In the last two lessons some objections were raised to the commission method of payment. In this it is purposed to deal further with the subject. The method works well in some cases; but, generally, these are cases in which experienced travellers represent well-known and substantial houses. The house that makes an impossible agreement with its travellers is the very house whose trade will never pay any one.

The beginner should avoid the system as far as he can.

GUARANTEED COMMISSION.—There is, however, a kind of commission payment that is often satisfactory. This is guaranteed commission: an arrangement in which the firm undertakes to make the amount, whether earned or not, up to a certain sum. Against such a method there can be no objection. If Messrs. White & Ferguson say to their new traveller: "We shall send you £5 every week, but we expect you to be earning as much within twelve months," they may be making a generous and workable offer. But care should be taken by the traveller, even in such an arrangement as this, that there shall be no after-claps in case the business abruptly lapses.

The firm may say: "We will open a Ledger account with you and charge you all that we remit. As soon as you begin to earn over the amount we send you, the difference must go to wiping off our advances before we increase the remittance."

Such an arrangement may be quite just. It is often made. But what the traveller must guard against is any trouble arising should he terminate his agency at a time when he is still in arrears.

Thus—

Mr. Thornfield has worked six months for a Belfast firm. During that time he has been advanced £156, and his commissions on cash collected and outstanding amount to £104. The agency suddenly ceases through changes in price that make it valueless. Mr. Thornfield receives his commission account, showing him £52 in debt, with a note attached requesting his cheque in settlement.

"Absurd," says the reader. "Surely the firm took the risk of opening the ground. They can't expect a man to refund money he has largely spent on their behalf."

But such things have happened!

A traveller should be exceedingly careful fully to understand the conditions under which money is advanced to him, and where (as in this case) they appear to be unreasonable, he should have some written statement that will clear him in case the arrangement lapses or proves a failure.

It is a reasonable thing nowadays for a traveller to expect that the firm he represents shall take the full financial responsibility of opening its ground. He may be willing to work for very little or even for nothing till the trade begins to come in, but a firm has no right to be in business unless it can bear the financial weight of meeting its own reasonable business charges. It is reasonable that a traveller should demand from any firm he represents a sufficient regular cash payment to cover his expenses on their behalf.

COMMISSION ON COLLECTION.—Said a manufacturer to his new agent: "Commission on collection is our rule. Our journeys are every two months. You will sell right off £80 worth a week, or you will be no good to me. That means I shall have to send out £700 worth of goods before I get a penny back. In the meantime, your expenses will be about £2 10s. a week, which means you will spend £20 before you get a penny back. Your commission is 5 per cent.; my profit is less than that. If I outlay £700 on this deal, it is only fair you should take the risk of £20."

The argument sounded just. But the traveller's reply was better sense: "If you are going to outlay £700 before you get anything back, to object to add another £20, £40, or £50 to the outlay is 'spoiling the ship for a ha'porth of tar.' You are presumably in trade to use your money. I am a traveller with only my work and connection for sale. I have not come to you to discover profitable means of using my savings. I have come to you to get an income for next week, and the week after that, and the weeks that follow."

This traveller was quite right and the manufacturer was wrong. An employer does take a considerable risk when he puts on a new traveller, but the risk is generally greater than the man's expenses and salary would be. To accept new liabilities of hundreds and quibble at an advance payment of a few pounds is obviously absurd.

It is folly for a traveller to accept from a house terms that are, on the face of them, impossible. Yet this is often done. The traveller is an optimist, and has usually great faith in himself. He reasons: "The money question will settle itself. I must get the agency." But the money question rarely does settle itself. The traveller is far wiser to state boldly: "Five per cent. and 10 per cent. are meaningless terms to me till I see what I can do. I want so much a week." In making a working arrangement with a house, he should be sure that it is a workable arrangement.

SALESMANSHIP

Continued from page 583

LESSON X.

STOCK.—The salesman who handles stock has great opportunities of learning many lessons which will be useful to him should he ever be in business for himself.

Nearly every separate business has its own methods of dealing with stock, methods which are found to be most suitable to the trade. In the drapery business, for instance, where fashions come and go with the seasons, it is necessary that stock shall always be reasonably new, and that in many classes of goods it pays to make a clearance at any sacrifice rather than occupy valuable space with what may never be asked for. The successful draper is usually a very keen business man, and his method is justified by his experience.

But in certain other trades, season sales are unknown, for the reason that the demand is fairly continuous all the year round, and there is little difference between the goods sold in September and those sold in March.

Let us take the grocery trade as an example. A grocer never has an annual clearance sale. After Christmas he may mark down the 1s. per lb. muscatels to 8d., and offer a few season's lines at reductions that will clear them out; but such clearances are relatively few and far between.

The grocer cannot depend upon clearance sales. His margin of profit is too small to permit of any very attractive reduction, and (in theory) his stock consists of goods in constant demand.

ACCUMULATION OF STOCK.—Yet the grocer, and all men doing a similar regular business, run a great risk of loss through their stock. There is a great tendency for stock to accumulate.

"I make profits, I believe," said a grocer; "but it is all going on the shelves."

The reason for this accumulation generally lies in the huge multiplication of the numbers and varieties of branded goods. Thus, a new cocoa comes on the market; it is well advertised, and a few people inquire for it. The grocer can only get full discount by buying a large stock. A few months pass, the advertisements drop, the inquirers revert to their old brands, and the grocer who has bought £10 worth has nine-tenths of his stock left on his hands.

Now, an experienced buyer will never be tempted with a visionary profit. In cases similar to the above, he will sacrifice every penny of his profit rather than be landed with a substantial loss. He will buy the smallest quantity that the firm will send out, or he will even purchase the article, package by package, from a fellow-tradesman.

There are some people in the world who seem quite unable to bring their mind to parting with their stock at less than a profit, quite losing sight of the fact that old goods may never sell, whereas the space they occupy on the shelves may be utilised for new and quick-selling stock. "Small profits and a quick turnover" is the secret of most of the modern stores' successes. Mention may here be made of the provision of, and the adequate display of, the right kind of goods at the right season. Here, in England, it is too often assumed that everything is either a summer or winter article; and yet even this assumption is not always acted upon. The display in many shop windows never varies from month to month in its "appeal." That it is possible to strike the appropriate seasonal note with advantage to receipts, goes almost without saying; and the would-be successful salesman should pay more than ordinary attention to this matter.

Whatever a man's methods, they are visible to his salesman who has eyes to see. And that salesman can learn useful lessons, whether the methods be good or bad. He can see how useless stock accumulates through carelessness, and how evenly things balance out when the buyer knows his business.

THE BUYER.—One of the most difficult parts of any business is that which falls to the lot of the buyer. It is really he who controls the stock and who makes the losses or profits. His work may be second nature to him and he may be a genius at it, but it is just the special work for which experience is necessary.

And here is the salesman's great advantage. Without any responsibility he can gain experience. When the buyer blunders he can see it, when the buyer does well he can appreciate the fact—not entirely perhaps: he may know nothing of prices and profits, but he can see the relation between buying and stock.

But the salesman comes into even closer connection with the buyer than this, if he is responsible for the arrangement and classification of a certain portion of the stock. In his own department he will be able to see how easily profits can be lost or locked up.

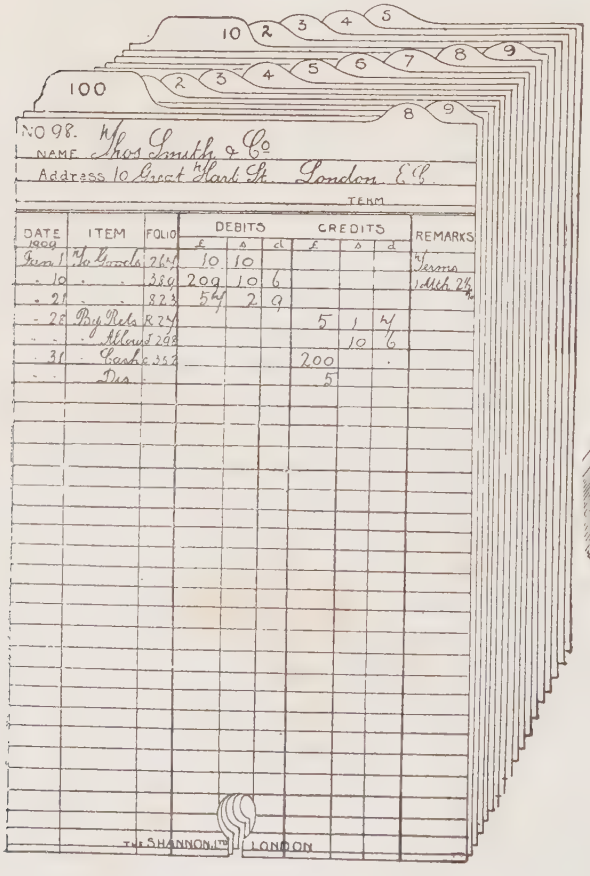
Said a trader to an assistant: "My profit is 10 per cent. on my turnover. That means that I must sell nine articles to get back the money I have outlayed. To make a living I must also sell that tenth article. If it is damaged, or put back on the shelf till its chance of being sold is gone, I am losing my profit. We tradesmen nowadays must get our living out of the margin that our ancestors used to allow for waste."

CARD INDEXING AND FILING

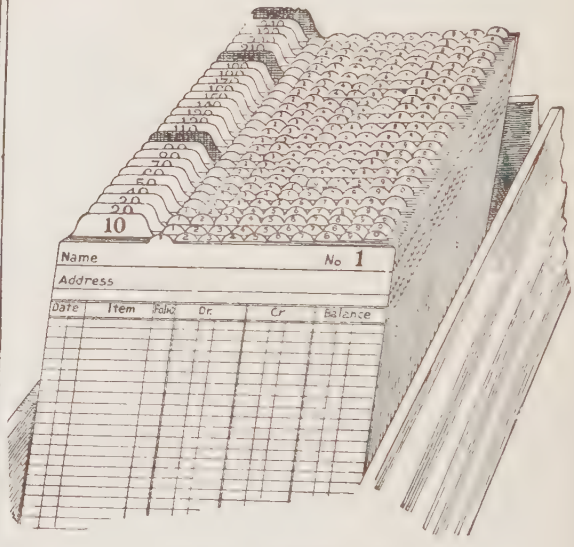
Continued from page 632

LESSON V.

THE CARD LEDGER.—Card Ledgers very properly come up for reference in a series of lessons such as this, because the Ledger is the index to the accounting part of the business; and the growing use of cards and loose-leaf Ledgers instead of bound book Ledgers is a testimony to the advantages of the card system. A Card Ledger has disadvantages, of course, and accountants very often discourage its use; but when it is acknowledged that a Ledger does not stand by itself, being dependent for details upon some subsidiary book, and that there is usually, with any system, some point where the master must trust his clerk, it must be admitted that there are businesses in which, with proper supervision, card records for Ledger entries are quite satisfactory for general use, and economical of time. Their advantages may be summed up as follows: No new Ledgers need be opened from time to time; only "live" accounts are kept; alphabetical classification may be adopted; if the numerical system is the one favoured, an account has an unchangeable number, so that many more accounts are remembered than under the book system, thus saving reference to the index; statements may be got out more quickly, because of the division of labour among several clerks; and overdue accounts may be kept track of more easily—so that in many instances where time is of pressing value, the Card Index might be adopted with advantage. Loose-leaf Ledgers—the leaves of which may be arranged in any order, and secured by a locking device—have some of the advantages of the Card Ledger without the disadvantages of the old bound book Ledgers.



THE SHANNON LEDGER CARD (SHANNON, LTD.)



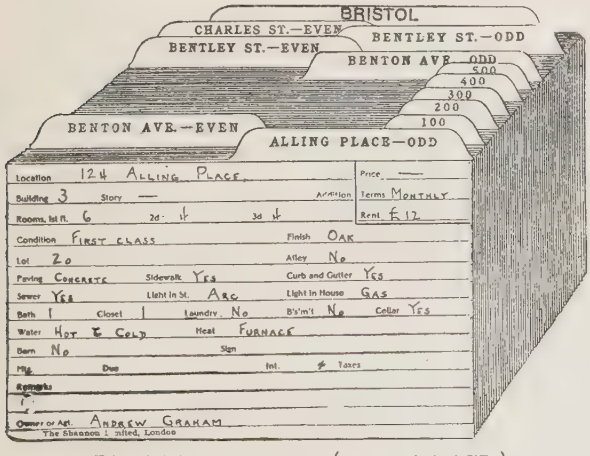
NUMERIC LEDGER CARDS (FORDHAM & CO., LTD.).

REMINDER TRAY.—Another application of the Card Index is as an "Office Tickler" or "Reminder Tray." This is an arrangement of cards, one for each month of the year and one for each day of the month. Before these, notes of matters to be dealt with on certain days are put, and each day the notes for the day come up for examination, the day card being then placed behind the others. Notes not for the current month are placed before the month card and are

distributed according to days when the month arrives.

REMINDER TRAY (GLOBE-WERNICKE).

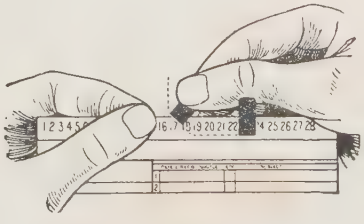
Cards may be used for recording shareholders' signatures and addresses, the cards forming the index for addressing purposes; for indexing railway rates; compiling library catalogues; recording estate particulars; costing for engineers and manufacturers; insurance records; note-taking for journalists and clergymen. These are common applications; but, in brief, it may be said that for most purposes where precise notes are required to be stored for quick reference, the Card Index may become the "open sesame" to an unthought-of degree of efficiency.



REAL ESTATE RECORD (SHANNON, LTD.).

CARD INDEX SIGNALS.—Experience with the Card Index has shown that even in its most complete form alone it leaves certain problems unsolved. In following up inquiries which have been made and which the recipient of the inquiry hopes to convert into sales, it is common to have a series of what are called "Form Letters" prepared, the object of which, by cumulative effect, by special inducement of terms, price, or quantity, is to secure a sale. Sometimes a special one of the series has to be sent, and it is important that it should be sent at the right time. If the series is used every week or ten days, the next form letter in order has to be dispatched. How shall we arrange that the records of prospects, who should have a form letter sent to-day, shall duly come up for examination? That is one problem. It is true it can be solved by placing the cards between guides indicating days and months, but if the records be numerous and orders are received, so stopping the "following up," it will not be a facile process to obtain the cards if arranged under daily dates. These problems are satisfactorily solved by the use of Index Signals—little clips fixed to record cards or book leaves. These indicators, particulars of which have been kindly furnished by the firms named with the illustrations, are made in different forms and colours, and are, therefore, instantaneous guides to detail.

In the illustration given relating to following up, the card records are arranged in alphabetic or directory order, and are printed or stamped at the top with figures for the days of the month; and the metal clips, which stand out like guides, are moved, according to the scheme, seven or ten days forward. On opening the drawer each day, a glance will show which require attention on that day, for the signals will be in a direct line from the front to the back. As orders are received, reference is easy because of the arrangement; and the cards are removed to a transfer box—perhaps to form in the future the basis of a circularising list and to show the sources of the inquiries, and thus afford information of the successful media for advertising and guidance for the future placing of advertisements.



METHOD OF AFFIXING SIGNALS (LIBRACO, LTD.)

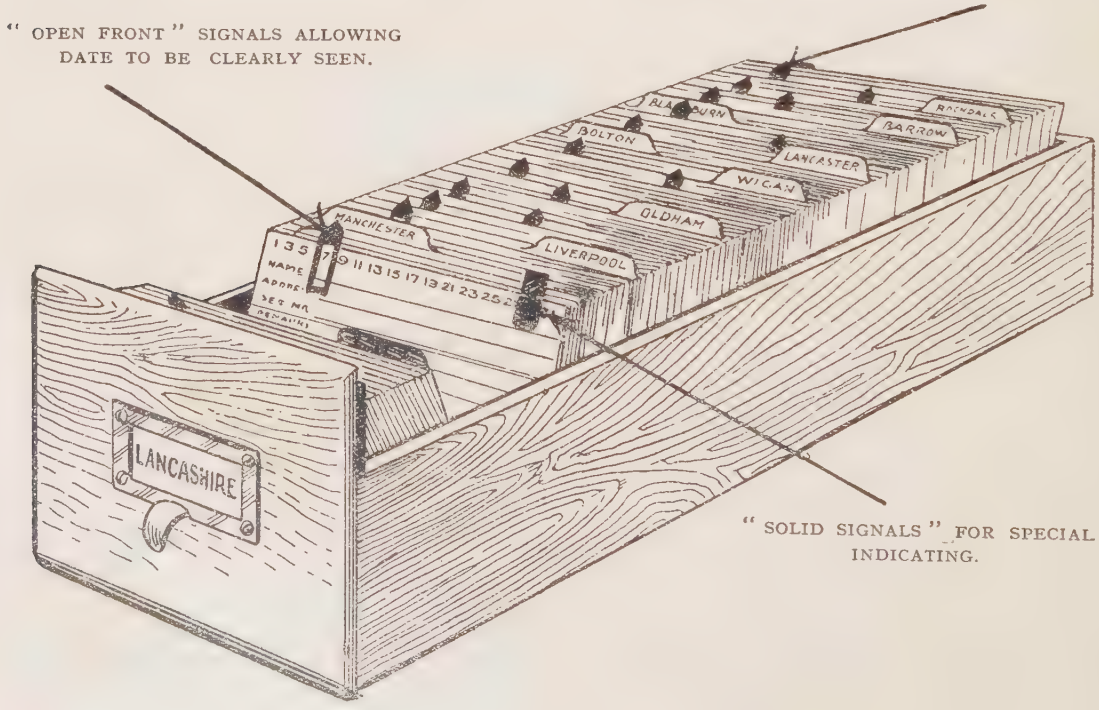
This is only one of the many uses to which the signals may be put. A similar use is obvious for indicating days for collecting accounts and days upon which travellers will make calls; whilst there are infinite possibilities of their use in relation to stock records, keeping track of parts by storekeepers, payment records, staff registers, insurance records, hire-purchase accounts, etc.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

Name..... Inquiry No.....

Address..... Date.....

Concerning	Dispatched				Result
	1	2	3	4	
Source	5	6	7	8	
	9	10	11	12	

Remarks.

For keeping track of unanswered correspondence, it is a good idea to use a signal on the card record to show the date when the matter should be inquired into. Some of the larger signals may be written upon for any purpose which may suggest itself, say, for special records or special accounts. Steel tabs for accounts are much more durable than the ordinary tabs.